COVER SHEET

CS201412229

ALVIERA COUNTRY CLUB, INC.

(Company's Name)

Alviera Country Club, Brgy. Hacienda Dolores, Porac, Pampanga

(Business Address: No. Street City/Town/Province)

Hyacintha Mea G. Chim
Contact Person

908-3852
Company Telephone Number

12 31
Month Day
Fiscal Year

17-A

09 30
Month Day
Annual Meeting

Secondary License Type, If applicable

CFD
Dept. Requiring this Doc.

Amended Articles Number/Section

Total Amount of Borrowing

Total No. of Stockholders

Domestic

Foreign

To be accomplished by SEC Personnel concerned

File Number

LCU

Document I.D.

Cashier

STAMPS

Remarks: pls. Use black ink for scanning purposes

SEC Number: CS201412229
File Number: ____________

ALVIERA COUNTRY CLUB, INC.

(Company's Full Name)

Alviera Country Club, Brgy. Hacienda Dolores,
Porac, Pampanga

(Company Address)

(632) 908-3852

(Telephone Number)

December 31, 2023

(Year Ending)

Annual Report – SEC Form 17-A

(Form Type)

-

(Amendments)

SECURITIES AND EXCHANGE COMMISSION

SEC FORM 17-A

ANNUAL REPORT PURSUANT TO SECTION 17 OF THE SECURITIES REGULATION CODE AND SECTION 141 OF THE CORPORATION CODE OF THE PHILIPPINES

1. For the fiscal year ended: **December 31, 2023**

2. SEC identification number: **CS201412229**

3. BIR Identification No. **008-805-693-000**

4. Exact name of issuer as specified in its charter: **ALVIERA COUNTRY CLUB, INC.**

5. Province, Country or other jurisdiction of incorporation or organization:
   PORAC, PAMPANGA

6. Industry Classification Code: [ ] (SEC Use Only)

7. Address of principal office and Postal Code: **Alviera Country Club, Brgy. Hacienda Dolores, Porac, Pampanga, 2008**

8. Issuer's telephone number, including area code **(632) 908-3852**

9. Former name, former address and former fiscal year, if changed since last report: **N/A**

10. Securities registered pursuant to Sections 8 and 12 of the Code, or Sections 4 and 8 of the RSA

Title of each Class	Number of shares of common stock outstanding and amount of debt outstanding
Class B Shares, no par value	**2,600**
Class C Shares, no par value	**300**

11. Are any or all of the securities listed on a Stock Exchange?

    Yes [ ] No **[x]**

    If yes, state the name of such Stock Exchange and the class/es of securities listed therein:

    ______________________ ______________________

12. Indicate by check mark whether the registrant:
    (a) has filed all reports required to be filed by Section 17 of the Code and SRC Rule 17 thereunder or Sections 11 of the RSA and RSA Rule 11(a)-1 thereunder, and Sections 26 and 141 of the Corporation Code of the Philippines, during the preceding twelve (12) months (or for such shorter period the registrant was required to file such reports)

    Yes **[x]** No [ ]

    (b) has been subject to such filing requirements for the past ninety (90) days.

    Yes **[x]** No [ ]

13. Aggregate market value of the voting stock held by non-affiliates:

    Not applicable

APPLICABLE ONLY TO ISSUERS INVOLVED IN INSOLVENCY/SUSPENSION OF PAYMENTS PROCEEDINGS DURING THE PRECEDING FIVE YEARS:

14. Check whether the issuer has filed all documents and reports required to be filed by Section 17 of the Code subsequent to the distribution of securities under a plan confirmed by a court or the Commission.

    Yes [ ]   No [ ]   **Not applicable**

DOCUMENTS INCORPORATED BY REFERENCE

15. Briefly describe documents incorporated by reference and identify the part of SEC Form 17-A into which the document is incorporated:

    2023 Audited Financial Statements (incorporated as reference for Items 7 & 12 of SEC Form 17-A)

TABLE OF CONTENTS

		Page No.
PART I – BUSINESS		
Item 1.	Business	2
Item 2.	Properties	6
Item 3.	Legal Proceedings	6
Item 4.	Submission of Matters to a Vote of Security Holders	7
PART II – SECURITIES OF THE REGISTRANT		
Item 5.	Market for Issuer's Common Equity and Related Stockholders Matters	7
PART III – FINANCIAL INFORMATION		
Item 6.	Management's Discussion and Analysis and Plan of Operation	8
Item 7.	Financial Statements	16
Item 8.	Information on Independent Accountant and Other Related Matters	17
PART IV – MANAGEMENT AND CERTAIN SECURITY HOLDERS		
Item 9.	Directors and Executive Officers of the Issuer	17
Item 10.	Executive Compensation	23
Item 11.	Security Ownership of Certain Beneficial Owners and Management	23
Item 12.	Certain Relationships and Related Transactions	24
PART V – CORPORATE GOVERNANCE		
Item 13.	Compliance with Leading Practice on Corporate Governance	25
PART VI – EXHIBITS AND SCHEDULES		
Item 14.	Exhibits and Reports on SEC Form 17-C	
	(a) Exhibits	26
	(b) Reports on SEC Form 17-C	26
SIGNATURE		27
INDEX TO EXHIBITS		28

PART I – BUSINESS

Item 1. Business

Form and Date of Organization

The Club was organized as a stock, non-profit corporation and was duly registered with the Securities and Exchange Commission (SEC) on July 9, 2014. The Club has no predecessors. As of December 31, 2023, the Club has no subsidiaries. The Club started its commercial operations last March 28, 2019 and has its official Grand Launch on July 31, 2019.

The Club is not involved in any bankruptcy, receivership or similar proceedings. Neither is the Club involved in any material reclassification, merger consolidation or purchase or sale of significant amount of assets not in the ordinary course of business.

Description of Business

Services to be offered

The Club was incorporated for the purpose of maintaining, operating, managing and carrying on the business of a sports and leisure club and its facilities in the Municipality of Porac, Province of Pampanga for the amusement, entertainment, recreational and athletic activities, on a non-profit basis, of its members.

Sales Mix

Revenues will be derived from monthly dues, use of sports facilities, sales of food and beverages, and other revenue-generating activities related to the operations of the Club. However, since it will be operated on a non-profit basis, no part of its net income shall inure to the benefit of any shareholder. Assessments, fees and dues collected from its shareholders shall be for the sole purpose of meeting the operational and maintenance expenses of the Club.

Plan of Distribution

To undertake the distribution of its shares to the public, Nuevocentro, Inc. (NCI), the Parent Company, has engaged the services of GG&A Club Shares Brokers, Inc. ("GG&A"), an accredited broker of the SEC, as its selling agent to promote, market, and sell the shares at such prices specified by NCI given yearly increases until the maximum of such prices, and on the standard terms and conditions of quotation or sale specified by NCI. The brokers shall also ensure completion of necessary reservation and booking documents of all buyers, including all forms required by the SEC. There is no relationship between the Issuer-registrant and GG&A.

Status of Property Development

As of December 31, 2023, Makati Development Corporation is 100% complete for the property development of the Club.

On July 31, 2019 the Club has its official Grand Launch and started to use the property for its normal operation.

Competition

The leisure market has proven to be of interest among numerous land development companies due to the extensive promotion of the industry, escalation of the market segment seeking vacation destinations, and increase in interest in the natural environment and tourism. Several clubs are considered competitors since they are well-known throughout the industry.

Belle Corporation's Tagaytay Highlands International Golf Club offers an array of various experiences for the entire family. The club complements the vacation residential development already set-up along the sprawling hills of Tagaytay. Individual shares are priced at ₱650,000 and the corresponding monthly dues are ₱5,000. The primary attraction of the club is the golf course.

Timberland Sports and Nature Club by Filinvest Development Corporation is another development that is located in mountains and nature setting. The club offers nature treks and various sports with modern facilities. Membership in such club costs ₱560,000 and the monthly dues are ₱2,500. In addition, membership can only be acquired by referrals and invitations.

Pico de Loro Beach and Country Club is a project of SM Investments Corporation which tries to provide a tropical destination that is also eco-friendly. The club envisions the promotion of eco-tourism in the Philippines. Shares of the club are currently priced at ₱450,000 and the monthly dues are ₱3,900.

Punta Fuego is a LandCo Pacific Corporation development that provides an exclusive resort that takes advantage of its strategic location by the sea. It has a number of sports and relaxation facilities that provide services for its members. Club Punta Fuego shares are priced at ₱1,000,000 and the monthly dues amount to ₱3,600.

The abovementioned developers are just a few of the competitors across the Philippines, but two major competitors that must be considered because of their proximity to the project are the Subic Bay Yacht Club and Club Morocco.

Subic Bay Yacht Club ("SBYC") is a membership club that offers berthing facilities for different types of seagoing vessels. It frequently hosts events such as regattas and other boat races. It has a clubhouse with dining facilities. SBYC was launched in April 1997 with an offering of 3,000 shares. Market data provides that as of 2004, 1,600 shares have been sold at the selling price of ₱120,000.00 per share and a transfer fee of ₱250,000.00, or a total cost of ₱370,000.00. Their current selling price per share is at ₱250,000.00. The membership club promotes its innovative design that creates the perfect ambience targeting the upper market. The segment targeted by the club includes primarily watersportsmen and businessmen with their families.

Club Morocco is a development by Sta. Lucia Realty and Development Corporation that offers residential lots in a beach resort setting. It has water views and offers activities such as swimming, sailing and fishing. It has a hotel with 24-twin sharing rooms, 4 suites, coffee shops, restaurants, a gym, boutiques, a lake-type pool and game rooms.

The Club intends to set itself apart from the foregoing clubs and other leisure clubs in the country by providing a unique interactive experience for its members in the context of a natural setting by making accessible in-nature facilities to be separately developed by NCI. It will also offer a wide variety of nature-based activities that the other clubs do not make available. The competitive advantage of the Club is also in its setting that provides a dramatic landscape of foothills, forest and the sea. The expertise and track record of NCI, through Ayala Land Inc. (ALI), in the field of real estate development further guarantees a high-quality development the value of which will appreciate over time.

Key suppliers

The Club energy and power is being provided primarily by Pampanga Electric Cooperative ("PELCO") which will also provide primary power to the entire Alviera development. The Club engage Manila Water Philippines Ventures Inc. as provider for water supply. The Club main provider of manpower is Asiapro Multi-Purpose Cooperative while for security guards is Jarton Security Agency Inc. The Club engaged to various suppliers in Metro Manila and Pampanga for food and beverage.

Customer base

The Club will rely heavily on a solid membership base and frequent usage. Continuous sales of the shares supported by promotion will be primary initiatives.

The business of the Club is not dependent upon a single customer or a few customers, the loss of any or more of which would not have a material adverse effect on the Club. As to date, there is no customer that will account for twenty percent (20%) of the Club's revenues.

Related Party Transactions

The Club has engaged MDC as the Club's general contractor and contracted Ayalaland Club Management, Inc (ACMI) up to July 2019 as the operations manager. Manila Water Philippines Ventures Inc., which provides water supply to the Club, and the aforementioned companies are affiliates of the Ayala Land, Inc. (ALI), the Club's Ultimate Parent Company.

Intercompany transactions with NCI may include noninterest bearing advances to fulfill the Club's operational financing requirements.

Intangible Assets

The Club has no patents, trademarks, copyrights, franchises or royalty agreements.

Legal and Regulatory Matters

As of the date of this report, the Club is not a party to any litigation which would have any material or adverse effect upon its business or financial condition. The Gross Parcel owned by the Club is not the subject of any legal proceedings.

On August 23, 2014, the Department of Environment and Natural Resources ("DENR") issued the Environmental Compliance Certificate ("ECC") for the Alviera development where the project is located. Among the conditions under which the ECC was granted is the establishment of the following:

1. A Multipartite Monitoring Team ("MMT") composed of local government units concerned, NGO/PO, DENR Region 3, Environmental Management Bureau Region 3, and the project proponent. There is already an existing Multipartite Monitoring Team for Alviera that can take on this task.

2. A continuing Information, Education, and Communication ("IEC") Program to explain publicly its Environmental Impact Statement ("EIS").

The foregoing conditions are intended to ensure that the development and operation of Alviera and the Club do not violate existing environmental laws.

A development permit which covers the entire Alviera development has also been obtained. The development permit was approved and issued by the office of the Municipal Mayor. The Barangay resolution was approved on June 10, 2014.

The Gross Parcel is part of a parcel of land covered by an Exclusion/Exemption Order issued by the Department of Agrarian Reform ("DAR") and Memorandum dated May 28, 1998 and June 4, 2003, respectively, which excluded and exempted the said parcel of land from the coverage of the Comprehensive Agrarian Reform Program.

NCI does not foresee any existing or probable government regulation which may in any way hinder the development and operation of the Club.

Amount Spent on Development Activities

The amount spent as of December 31, 2023 for development activities totaled ₱816.29 million. No additions were made subsequent to the completion of construction in 2019.

Human Resource

As of December 31, 2023, the Club employed 14 full-time employees and 74 contractual workers. Consultants may also be hired for concerns that require expertise. Employment base is expected to increase once members' patronage of the Club increases, requiring more manpower resource, and/or once the need arises.

Risk Factors and Risk Management Strategies

Real Estate Appreciation/Depreciation

The investment in the shares of the Club is an indirect investment in real property such that the usual risks associated with property ownership should be considered. These include natural calamities, adverse changes in political and economic conditions, environmental laws or applicable Philippine regulations, which may affect property values and could result in real estate appreciation or depreciation in the future.

Market Valuation

While the shares are transferrable after five (5) years from the date of commencement of commercial operations of the Club, it is not anticipated that an organized trading market for the purchase and sale of such shares will develop in the near future. Prospective buyers who intend to invest purely for potential capital gains should consider that the shares are not publicly traded and market valuation may not be readily available.

Economic and Political Factors

The depreciation of the Philippine Peso will directly affect the estimated construction and development costs for the project, which includes the costs of imported construction materials and service fees of foreign consultants. Any escalation in development costs for the Club may affect the price at which the shares will be offered for sale after the initial offer. Any political or economic instability in the future may have a negative effect on the price.

In the event that the shares are not sold within the projected timetable because of economic and political factors that may decrease the selling price of the shares, NCI will continue to provide financial support or cause the Club to loan from third parties such amounts as may be necessary to support the Club's operations.

Competitive Business Condition

The Club is expected to encounter competition from existing sports, golf and country clubs which are located in Central Luzon and in other regions. The competition with these clubs is expected to be based on operating history, secondary price of available shares, amenities and facilities, and location and accessibility.

The Club has suitably differentiated itself from the competition through its unique offerings. No other leisure development in the area, whether existing or currently being developed, offers proprietary shares in a club with both sports and country club facilities situated in a mixed-use township development amidst mountain nature setting. The Club's design, surroundings and available nature-based activities will set it apart from competition.

Mitigation Plan for the Above Risks

NCI shall implement measures to ensure that investors' investments in the shares shall be protected even during downturns and changes in business condition.

To ensure that the marketability of the shares, NCI has been promoting the Club not as a stand-alone development but as part of the mixed-use township development project, Alviera. The Club is also being aggressively marketed together with the selling of residential lots and houses, as well as commercial and industrial lots, in Alviera. NCI is also using ALI's wide network of internal and external sales force to market the Club. As the residents, investors and locators reside in Alviera, it is expected that the demand for the shares will continuously increase alongside the development and completion of each of Alviera's communities, resulting in the appreciation of the value of the shares.

To ensure that quality of the Club remains up to standards, the Club employed 14 full-time employees to oversee and manage the Club operations. NCI remains the majority shareholder of the Club.

Item 2. Properties

Description and Location of the Site

The Club will form part of Alviera, the new master planned development by ALI, consisting of approximately 1,800 hectares (as of date of this report), located in Porac, Pampanga. Alviera will house BPO buildings, retail centers, universities, a technology and business park, a country club, recreational amenities and a full range of residential options.

The site of the Club is approximately a 56,241-square meter property bounded by the Alviera town center in the north, overlooking the Porac ridges in the south, and Subic-Clark Toll Expressway in the west.

Principal Properties

The facilities and amenities of the Club was constructed on a 56,241-square meter parcel of land located in Porac, Pampanga covered by Transfer Certificate of Title No. 042-2015001973 issued by the Registry of Deeds for San Fernando, Pampanga in the name of Alviera Country Club, Inc. The parcel, also known herein as the Gross Parcel, is owned by the Club, the title to which was transferred and registered in the name of the Club on February 6, 2015.

The real property taxes on the Gross Parcel for the year 2023 have been paid to the Municipality of Porac.

The Gross Parcel is free from any lien or encumbrance and is not the subject of any legal proceedings.

The Club has a total of P 1.00 million additions to the property and equipment for the year comprising Kitchen, Facilities & Maintenance, & F&B equipment.

Item 3. Legal Proceedings

As of December 31, 2023, the Club, is not involved in any litigation regarding an event that they considered material.

Item 4. Submission of Matters to a Vote of Security Holders

Except for the matters taken up during the Annual Meeting of Stockholders, there was no other matter submitted to a vote of security holders during the period covered by this report.

PART II – SECURITIES OF THE REGISTRANT

Item 5. Market for Issuer's Common Equity and Related Stockholders Matters

Market Information

The Club's shares are not publicly traded and there are no organized trading market for the purchase and sale of such shares as to date.

Stockholders

The Club has an authorized capital stock of 6,800, no par shares. The details of the number of authorized and outstanding shares of the Club as of December 31, 2023 follow:

	Authorized	Outstanding
Class A	3,700	3,700
Class B	2,600	2,600
Class C	300	300
Class D	200	200
	6,800	6,800

Upon the incorporation of the Club, NCI invested the amount of ₱133.0 million in cash consideration for the issuance of club shares, at its initial issue price of ₱76,000 per share. On October 3, 2017, the Club's Board of Directors (BOD) approved the conversion of NCI's advances amounting to ₱196.99 million in exchange of 2,592 Class A shares. The SEC approved the confirmation of valuation of advances on August 10, 2018.

Subsequently, on December 21, 2018, NCI subscribed to the Club's remaining authorized capital stock comprising of 83 Class A shares, 1,950 Class B shares, 225 Class C shares and 200 Class D shares at an issue price of ₱254,985 per share. 25% of the total subscription price was paid by NCI on December 28, 2018. Remaining subscription receivable amounted to ₱470.06 million was fully collected as of December 31, 2020.

The following are the shareholders of the Club as to date:

Name	Nationality	No. and Class of Shares Subscribed					Amount of Capital Stock Subscribed (₱)	% of Total
		A	B	C	D	Total		
Nuevocentro, Inc.	Filipino	3,688	2,292	273	200	6,453	930,194,145	94.90%
Leonardo L. Leonio	Filipino	1	-	-	-	1	76,000	0.01%
Bernard Vincent O. Dy	Filipino	1	-	-	-	1	76,000	0.01%
Anna Ma. Margarita B. Dy	Filipino	1	-	-	-	1	76,000	0.01%
Augusto D. Bengzon	Filipino	1	-	-	-	1	76,000	0.01%
Clarissa Teresita L. Asuncion	Filipino	1	-	-	-	1	76,000	0.01%
Robert S. Lao	Filipino	1	-	-	-	1	254,985	0.01%
Carlo Leonardo N. Leonio	Filipino	1	-	-	-	1	76,000	0.01%
Jennylle S. Tupaz	Filipino	1	-	-	-	1	76,000	0.01%
Lawrence Conrad N. Leonio	Filipino	1	-	-	-	1	76,000	0.01%
Jose P. De Jesus	Filipino	1	-	-	-	1	76,000	0.01%
Oscar S. Reyes	Filipino	1	-	-	-	1	76,000	0.01%

Jessie D. Cabaluna	Filipino	1	-	-	-	1	76,000	0.01%
Others (329 stockholders)		-	308	27	-	335	25,460,000	4.93%
Total		**3,700**	**2,600**	**300**	**200**	**6,800**	**956,745,130**	**100%**

Dividends

Being a non-profit organization, no profit shall inure to the exclusive benefit of any of its shareholders; hence, no dividends shall be declared in their favor. However, upon the dissolution or liquidation of the Club, shareholders shall be entitled to a pro-rata share of the assets of the Club at the time of its dissolution or liquidation.

Recent Sales of Unregistered or Exempt Securities

The Club has not sold any unregistered or exempt securities. Neither has it reacquired any securities, issued new securities, issued securities in exchange for property, services, or other securities, or issued new securities resulting from the modification of outstanding securities.

PART III – FINANCIAL INFORMATION

Item 6. Management's Discussion and Analysis and Plan of Operation

Plan of Operation

The Club started its commercial operations last March 28, 2019 and has its official Grand Launch last July 31, 2019 and started to operate under its normal operation. Members started to pay their monthly dues after the Grand Launch as they can already use the club facilities and amenities. Any increase in dues will be reported to the SEC within thirty (30) days from the approval of the Board of Directors. The Members will be notified of such increase. Notices on the dues will also be posted on bulletin boards located in conspicuous areas for the benefits of secondary markets.

Revenues are derived from monthly dues, sale of food and beverages, and from usage of sports facilities and equipment. Since the Club operated on a non-profit basis, no part of its net income will inure to the benefit of its shareholders. Assessments, fees and dues collected from Members shall be for the sole purposes of meeting the operational and maintenance expenses of the Club.

Funding for operating requirements will be generated from the Club's revenue streams and from advances from NCI, when necessary. Future funding requirements are expected to be heavily sourced through revenue generation.

The Club currently has no plans of conducting any product research and development. It also does not expect to purchase or sell any plant and significant equipment.

As discussed in Part I under Human Resource, the Club already employed full-time employees and contractual workers as of date and will expect to increase manpower when the need arises.

Management's Discussion and Analysis

Financial Condition

Current assets of the Club amounted to ₱23.14 million and ₱12.50 million as of December 31, 2023 and 2022, respectively, resulting to a current ratio of 0.13:1 and 0.09:1. NCI will provide the necessary operating financial support to the Club when necessary. Future operating requirements of the Club are expected to be sourced from revenue generating activities.

In 2023 and 2022, the Club received advances from NCI amounting to ₱19.36 million and ₱25.00 million, respectively.

The Club has not availed of any long-term debt financing from its related parties or external sources. Accordingly, the Club has no existing contingencies, material commitments for capital expenditures, guarantees and other off-balance sheet transactions as of December 31, 2023.

Review of operations 2023 vs. 2022

The Club incurred a net loss after tax of ₱45.85 million for the year 2023, 9% lower than the reported net loss after tax of ₱50.66 million in 2022.

Revenue
The club generated revenue amounted to ₱55.44 million, 44% higher than the revenue realized on 2022 amounting to P38.45 million, which mainly pertains to monthly dues, sale of food and beverage and usage of sports facilities and equipment.

Expenses
Total expenses in 2023 amounted to ₱101.28 million, 14% higher than the ₱89.10 million expenses incurred in 2022. Details of movements in expenses are discussed below under "Material changes in the Financial Statements".

Capital Expenditure
The Club spent a total of ₱857.75 million for project and capital expenditures of the Club since inception. All of the capital expenditures were spent on construction and fit-out of the Country Club. For 2023, the Club purchased Kitchen, Facilities & Maintenance and F&B equipment's used in the operations amounting to ₱1.79 million.

Accrued expenses and other payables
Accrued expenses and other payables amounted to ₱174.88 million and ₱138.64 million as of December 31, 2023 and 2022, respectively, breakdown of which are provided in Notes 8 and 11 of the financial statements, as attached.

Review of operations 2022 vs. 2021

The Club incurred a net loss after tax of ₱50.65 million for the year 2022, 30% higher than the reported net loss after tax of ₱39.02 million in 2021.

Revenue
The club generated revenue amounted to ₱38.45 million, 32% higher than the revenue realized on 2021 amounting to P29.18 million, which mainly pertains to monthly dues, sale of food and beverage and usage of sports facilities and equipment.

Expenses
Total expenses in 2022 amounted to ₱89.10 million, 31% higher than the ₱68.19 million expenses incurred in 2021. Details of movements in expenses are discussed below under "Material changes in the Financial Statements".

Capital Expenditure
The Club spent a total of ₱818.42 million for project and capital expenditures of the Club since inception. All of the capital expenditures were spent on construction and fit-out of the Country Club. For 2022, the Club purchased Kitchen, Facilities & Maintenance and F&B equipment's used in the operations amounting to P 5.79 million.

Accrued expenses and other payables
Accrued expenses and other payables amounted to ₱138.64 million and ₱109.09 million as of December 31, 2022 and 2021, respectively, breakdown of which are provided in Notes 8 and 11 of the financial statements, as attached.

<u>Review of operations 2021 vs. 2020</u>

The Club incurred a net loss after tax of ₱39.10 million for the year 2021, 18% lower than the reported net loss after tax of ₱47.97 million in 2020.

Revenue
The club generated revenue amounted to ₱29.18 million, 36% higher than the revenue realized on 2020 amounting to P21.38 million, which mainly pertains to monthly dues, sale of food and beverage and usage of sports facilities and equipment.

Expenses
Total expenses in 2021 amounted to ₱68.19 million, 2% lower than the ₱69.34 million expenses incurred in 2020. Details of movements in expenses are discussed below under "Material changes in the Financial Statements".

Capital Expenditure
The Club spent a total of ₱818.42 million for project and capital expenditures of the Club since inception. All of the capital expenditures were spent on construction and fit-out of the Country Club. For 2021, the Club purchased Kitchen, Facilities & Maintenance and F&B equipment's used in the operations amounting to P 2.71 million.

Accrued expenses and other payables
Accrued expenses and other payables amounted to ₱109.96 million and ₱85.24 million as of December 31, 2021 and 2020, respectively, breakdown of which are provided in Notes 8 and 11 of the financial statements, as attached.

<u>Key Financial Performance Indicators</u>

The table below sets forth the comparative performance indicators of the Club:

	December 31, 2023	December 31, 2022	December 31, 2021
Current ratio[1]	0.13:1	0.09:1	0.16:1
Debt to Equity ratio[2]	0.24:1	0.19:1	0.14:1
Return on Assets[3]	(5.14%)	(5.60%)	(4.21%)
Return on Equity[4]	(6.42%)	(6.67%)	(4.82%)

[1] *Current assets / current liabilities*
[2] *Total debt / Total stockholders' equity*
[3] *Net loss/ Total assets*
[4] *Net loss/ Total stockholders' equity*

Ratios for Solvency and Interest Coverage are not applicable to the Club since it has no outstanding debt and interest expense as of December 31, 2023, 2022, and 2021.

Material changes (+/- 5% or more) in the financial statements

Income Statement items – 2023 versus 2022

44% increase in Revenues
Material changes in the income statement is mainly attributable with 6% increase in number of members from 561 in 2022 to 597 in 2023 and foot traffic increase of 17% from 30,154 in 2022 to 35,409 in 2023. Monthly membership dues also increased by P500, from P3,740 in 2022 to P4,240 in June 2023.

Revenues were generated from the ff. outlets:

- Specialty restaurant and café
- Events/banquets
- Sports facilities and courts
- Leisure and recreational facilities (spa, game rooms, theater)
- Villa rentals
- Membership dues

22% decrease in interest income
Interest income decreased is due to decrease in average cash balance on bank deposits, mainly due to sudden change in operations as result of the lowering of restriction due to pandemic and opening of another Bank Account under Security Bank for the check cutting facility.

15% increase in Direct Operating Expenses

The following expenses mainly attributed to the increase:

- *159% increase in Marketing*
  The increase in marketing expenses resulted from the Club's intensified marketing activities conducted post pandemic.

- *12% increase in Utilities*
  As the Club's facilities were operated and maintained for the full year 2023, semi-fixed expenses incurred for electricity and water utilities also increased. ₱1.32 million increment was noted for 2023.

- *39% increase in Contracted Services*
  With the club's stabilization of manpower complement in 2023 and wage increase implemented in Porac, Pampanga, ₱2.57 million increment was noted for 2023.

- *18% decrease in Repairs and Maintenance*
  The Club put up an effort to maintain the Club's equipment and vehicle under internal repairs and maintenance in 2022 compared to 2023, ₱0.19 million savings was noted for 2023.

- *12% decrease in Representation expense and 26% decrease in Travel & Transportation*
  With the effect of pandemic in the operation of the club, priority for the expenses were align on all that is necessary to the operation of the Club.

- *33% increase in Other Expenses*
  Proper allocation of expenditures to the proper account resulted to increase in other expenses account.

The following are the significant variance on general administrative expenses:

- *46% decrease in Professional Fees*
  This consist of Monthly Retainers fee paid to the Club's legal counsel, including the payment for the preparation of legal documents. One-off legal fee billing for the 2022 Annual Stockholders' Meeting was incurred resulting to the increase in addition to the yearly increase in the Club's audit fee.

- *1,682% increase in Taxes and Licenses*
  This consist of payment of Business Permits as well as the payment of Real Property Taxes for the land and building improvements. Increase in 2023 is due to catch-up payments of real property tax for building improvements covering periods from 2019 to 2022.

- *22% decrease in supplies and other supplies*
  With the effect of pandemic in the operation of the club, priority for the expenses were align on all that is necessary to the operation of the Club.

- *34% decrease in other finance charge*
  This consist mainly of bank charges for the online transfer of payments to suppliers and contractors, with the opening of the check cutting facility such charges were also decrease.

Income Statement items – 2022 versus 2021

32% increase in Revenues and 60% increase in Cost of Sales
Material changes in the income statement is mainly attributable with 13% increase in number of members from 495 in 2021 to 561 in 2022 and foot traffic increase of 95% from 24,489 in 2021 to 30,154 in 2022.

Revenues were generated from the ff. outlets:

- Specialty restaurant and café
- Events/banquets
- Sports facilities and courts
- Leisure and recreational facilities (spa, game rooms, theater)
- Villa rentals
- Membership dues

The corresponding increase in revenues, particularly with the F&B and Banquet at 12%, and villa rentals has caused the increase in cost of sales.

22% decrease in interest income
Interest income decreased is due to decrease in average cash balance on bank deposits, mainly due to sudden change in operations as result of the lowering of restriction due to pandemic and opening of another Bank Account under Security Bank for the check cutting facility.

33% decrease in other income
Other income from 2021 is higher than 2022 due to settlement of various intercompany transactions particularly with Ayala Land Inc and Anvaya Cove.

12% increase in Direct Operating Expenses

The following expenses mainly attributed to the increase:

- *38% increase in Marketing*
  The increase in marketing expenses resulted from the Club's intensified marketing activities conducted post pandemic.

- *93% increase in Utilities*
  As the Club's facilities were operated and maintained for the full year 2022, semi-fixed expenses incurred for electricity and water utilities also increased. ₱0.91 million increment was noted for 2022.

- *402% increase in Repairs and Maintenance*
  The Club put up an effort to maintain the Club's equipment and vehicle under internal repairs and maintenance, ₱0.86 million increment was noted for 2022.

- *32% decrease in Representation expense*
  With the effect of pandemic in the operation of the club, priority for the expenses were align on all that is necessary to the operation of the Club.

- *78% increase in Travel & Transportation*
  Increase is correlated to the intensified marketing activities conducted post pandemic.

- *70% increase in Other Expenses*
  Proper allocation of expenditures to the proper account resulted to increase in other expenses account.

The following are the significant variance on general administrative expenses:

- *40% increase in Professional Fees*
  This consist of Monthly Retainers fee paid to the Club's legal counsel, including the payment for the preparation of legal documents. One-off legal fee billing for the 2022 Annual Stockholders' Meeting was incurred resulting to the increase in addition to the yearly increase in the Club's audit fee.

- *38% decrease in Taxes and Licenses*
  This consist of payment of Business Permits as well as the payment of Real Property Taxes for the year 2022. The decrease in business tax is aligned with the increase/recognition of revenue in 2021 as the assessor's basis for the Club's tax in 2022.

- *35% decrease in supplies and other supplies*
  With the effect of pandemic in the operation of the club, priority for the expenses were align on all that is necessary to the operation of the Club.

- *17% increase in other finance charge*
  This consist mainly of bank charges for the online transfer of payments to suppliers and contractors, with the opening of the check cutting facility such charges were also decrease.

22% decrease in Provision for Final Tax
This consist mainly of final tax on interest income from bank accounts.

Income Statement items – 2021 versus 2020

36% increase in Revenues and 1% increase in Cost of Sales
Material changes in the income statement is mainly attributable with 16% increase in number of members from 427 in 2020 to 495 in 2021 and foot traffic increase of 95% from 12,587 in 2020 to 24,489 in 2021.

Revenues were generated from the ff. outlets:

- Specialty restaurant and café
- Events/banquets
- Sports facilities and courts
- Leisure and recreational facilities (spa, game rooms, theater)
- Membership dues

The corresponding increase in revenues, particularly with the F&B and Banquet at 36%, caused the increase in cost of sales.

26% increase in interest income
Interest income increased is due to increase in average cash balance on bank deposits, mainly due to sudden change in operations as result of the lowering of restriction due to pandemic and opening of another Bank Account under Security Bank for the check cutting facility.

100% increase in other income
Other income increased is due to settlement of various intercompany transactions particularly with Ayala Land Inc and Anvaya Cove.

24% decrease in Direct Operating Expenses

The following expenses mainly attributed to the decrease:

- *55% increase in Contracted Service*
  To cope up with the limitations imposed by the community quarantine protocols which resulted to temporary disruption of operations in 2021, operation manpower complement was reduced to key operating functions only.

- *13% decrease in Utilities*
  As the Club's facilities were operated and maintained for the full year 2021, management come with the effort to minimized utility expenses particularly on electricity and water.

- *52% decrease in Travel & Transportation*
  To cope up with the effect of pandemic, the management create measure to minimized travel expenses by consolidating of travel per week and minimizing un necessary travel.

- *24% decrease in Repairs and Maintenance*
  The Club put up an effort to maintain the Club's equipment and vehicle under internal repairs and maintenance, thus minimizing any unnecessary incurrence of expenses.

- *67% decrease in Marketing*
  With the effect of pandemic in the operation of the club, priority for the expenses were align on all that is necessary to the operation of the Club.

- *60% decrease in Other Expenses*
  Proper allocation of expenditures to the proper account resulted to decrease in other expenses account.

The following are the significant variance on general administrative expenses:

- *52% increase in Professional Fees*
  This consist of Monthly Retainers fee paid to the Club's legal counsel, including the payment for the preparation of legal documents. One-off legal fee billing for the 2021 Annual Stockholders' Meeting was incurred resulting to the increase in addition to the yearly increase in the Club's audit fee.

- *8% increase in Taxes and Licenses*
  This consist of payment of Business Permits as well as the payment of Real Property Taxes for the year 2021. The increase in business tax is aligned with the increase/recognition of revenue in 2020 as the assessor's basis for the Club's tax in 2021.

- *121% increase in office supplies*
  This consist of office supplies needed by the Club for its operation, as the stocks for the years 2019 and 2020 were already exhausted.

- *72% decrease in other finance charge*
  This consist mainly of bank charges for the online transfer of payments to suppliers and contractors, with the opening of the check cutting facility such charges were also decrease.

3893% increase in Provision for Income Tax
Gross profit generated by the Club for the year was subjected to 2% Minimum Corporate Income Tax (MCIT). In 2021, the Club boost up its revenue generation resulting to the increase in provision.

Balance Sheet items – 2023 versus 2022

226% increase in cash
Increase is due to increase in collection from membership dues.

38% increase in accounts receivable
Increase is due to the increase in membership from 561 in 2022 to 597 in 2023 resulting to increase collectability in some accounts.

20% increase in inventory
The Club's inventory mainly attributed to the F&B suppliers, with the increase in foot traffic, the club maintained higher inventory at yearend.

10% decrease in Other Current Assets
The decrease is due to amortization of prepaid real property tax for 2023 paid in 2022.

26% increase in accrued and other payables
The increase pertains to payment by NCI as advances made to the Club and to MDC for the construction of Club facilities.

54% decrease in retention payables
The decrease is due to settlement of long outstanding retention payables from contractors.

23% increase in deficit
Increase is due to additional operating expenses incurred during the commencement of operation on 2023 as discussed in "Income Statement items – 2023 versus 2022"

Balance Sheet items – 2022 versus 2021

57% decrease in cash
Significant cash disbursements were made in 2022 for operating activities.

7% decrease in accounts receivable
Decrease in accounts receivable is due to Club's effort to collect long outstanding accounts from members.

31% decrease in inventory
The Club's inventory mainly attributed to the F&B suppliers, with the increase in foot traffic inventory also significantly decreases.

1319% increase in Other Current Assets
The increase is due to recognition of prepaid real property tax for 2023 paid in 2022.

27% increase in accrued and other payables
The significant increase pertains to payment by NCI as advances made to the Club and to MDC for the construction of Club facilities.

35% increase in deficit
Increase is due to additional operating expenses incurred during the commencement of operation on 2022 as discussed in "Income Statement items – 2022 versus 2021"

Balance Sheet items – 2021 versus 2020

25% increase in cash
Increase is due to increase in collection from membership dues.

19% increase in accounts receivable
Increase is due to the increase in membership from 424 in 2020 to 495 in 2021 resulting to increase collectability in some accounts.

46% decrease in inventory
The Club's inventory mainly attributed to the F&B suppliers, with the increase in foot traffic inventory also significantly decreases.

24% increase in Other Current Assets
The increase is due to the Adjusting entries made for 2021 for the OCA Creditable Withholding Tax.

29% increase in accrued and other payables
The significant increase pertains to payment by NCI as advances made to the Club and to MDC for the construction of Club facilities.

36% increase in deficit
Increase is due to additional operating expenses incurred during the commencement of operation on 2021 as discussed in "Income Statement items – 2021 versus 2020"

Item 7. Financial Statements

The 2023 financial statements of the Club are incorporated herein in the accompanying Index to Exhibits.

Item 8. Information on Independent Accountant and Other Related Matters

Independent Public Accountants and Audit Fees

In 2023, audit services were sourced from PwC Isla Lipana & Co. Pursuant to the General Requirements of SRC Rule 68, Par. 3 (Qualifications and Reports of Independent Auditors), the Club has engaged PwC Isla Lipana & Co. as external auditor, with Mr. Paul Chester See as In-charge for the 2023 and SGV & Co. with Mr. Pepito Zabat III for the years 2022 and 2021. Corresponding audit fees accrued and paid to PWC Isla Lipana & Co and SGV & Co. amounted to ₱211,071, ₱200,000 and ₱195,000 for the years ended December 31, 2023, 2022 and 2021 respectively.

Changes in and Disagreements with Accountants on Accounting and Financial Disclosure

The Club has engaged the services of PwC Isla Lipana & Co during the year 2023 and SGV & Co. during the years 2022 and 2021. There were no disagreements with the PwC Isla Lipana & Co and SGV & Co. on any matter of accounting and financial disclosure.

PART IV – MANAGEMENT AND CERTAIN SECURITY HOLDERS

Items 9. Directors and Executive Officers (As of Dec 31, 2023)

Incorporators and Board of Directors

The incorporators of the Club are as follows:

Leonardo L. Leonio
Bernard Vincent O. Dy
Arturo G. Corpuz
Augusto D. Bengzon
Anna Ma. Margarita B. Dy
Clarissa Teresita L. Asuncion
Carlo Leonardo N. Leonio

As of the period covered by this report, the members of the Board of Directors of the Club are as follows:

Director	Nationality	Term of Office
Bernard Vincent O. Dy	Filipino	Since 9 July 2014
Augusto D. Bengzon	Filipino	Since 9 July 2014
Lawrence Conrad N. Leonio	Filipino	Since 11 February 2015
Leonardo L. Leonio	Filipino	Since 9 July 2014
Clarissa Teresita L. Asuncion	Filipino	Since 9 July 2014
Carlo Leonardo N. Leonio	Filipino	Since 9 July 2014
Jennylle S. Tupaz	Filipino	Since 31 July 2021
Robert S. Lao	Filipino	Since 30 September 2022
Oscar S. Reyes	Filipino	Since 11 February 2015
Jose P. De Jesus	Filipino	Since 3 October 2017
Jessie D. Cabaluna	Filipino	Since 31 March 2023

Independent Directors

The Club elected Mr. Oscar S. Reyes, Mr. Jose P. De Jesus, and Ms. Jessie D. Cabaluna as independent directors at the Annual Stockholders' Meeting held on 29 September 2023, in compliance with the requirements of the SRC.

Executive Officers

The executive officers of the Club as of the period covered by this report are as follows:

Position	Officer	Term of Office
Chairman	Leonardo L. Leonio	Since 29 September 2023
Vice-Chairman	Bernard Vincent O. Dy	Since 29 September 2023
President	Robert S. Lao	Since 30 September 2022
Treasurer	Clarissa Teresita L. Asuncion	Since 17 July 2014
General Manager (Development)	Marian Melanie Barbara B. Eugenio-Triviño	Since 29 September 2023
General Manager	Johann V. Ramirez	Since January 2020
Comptroller, Chief Finance Officer	Hyacintha Mea G. Chim	Sine 29 September 2023
Compliance Officer		Since 29 September 2023
Assistant Treasurer	Regina F. Magbitang	Since 3 October 2017
Data Protection Officer	Amelia Ann T. Alipao	Since 31 July 2021
Chief Audit Executive	Jenny Vie H. Julia	Since 31 July 2021
Corporate Secretary	Anna Liza M. Ang Co	Since 31 January 2019
Assistant Corporate Secretary	Reinerr John A. Nuestro	Since 25 November 2020

Comprehensive Background
The following describes the relevant business experience of the Club's directors and officers as of the period covered by this report, for the past five (5) years:

Chairman: *Leonardo L. Leonio,* Filipino, 76, has been a Director of the Club since 9 July 2014 and its current Vice Chairman since 29 September 2023. He is the Chairman of the Board and Director of Leonio Land Holdings, Inc., Petrolift Holdings Inc., LLL Holdings Inc., Circle Corporate Inc., and Petrolift Inc. and its subsidiaries: Transoil Corporation, Seatrans Corporation, Oceanlink Tankers Incorporated, Marinelink Tankers Corporation, Translift Ship Management Inc., Equasis Logistics Incorporated and Marinelift Shipyard and Repair Inc. He is a Director of LNL Archipelago Minerals Inc. since 2012. He was a founding member of the Philippine Petroleum Sea Transport Corporation (PHILPESTA), the first association of petroleum tankering companies in the Philippines. He attended Bachelor of Science in Business Administration at the University of the Philippines.

Vice-Chairman: *Bernard Vincent O. Dy,* Filipino, 60, has been a director of the Club since 9 July 2014 and its current Chairman since 29 September 2023. Prior to this post, he was the President & Chief Executive Officer of Ayala Land, Inc. (ALI) and Head of the Residential Business and Corporate Marketing and Sales of ALI. He is the Chairman of Prime Orion Philippines, Inc. and a director of Cebu Holdings, Inc. and Cebu Property Ventures and Development Corporation, all being publicly-listed companies. His other significant positions include: Chairman of Ayala Property Management Corporation, Makati Development Corporation, Ayala Land International Sales, Inc., Amicassa Process Solutions, Inc., Amaia Land Corporation, Avida Land Corp., Alveo Land Corp., AyalaLand Commercial

Reit, Inc., Lagdigan Land Corporation, Bellavita Land Corporation, Avencosouth Corp., Ayagold Retailers, Inc., Station Square East Commercial Corporation, Aviana Development Corp., Cagayan De Oro Gateway Corp., BGSouth Properties, Inc., BGNorth Properties, Inc., BGWest Properties, Inc., Portico Land Corp., Nuevocentro, Inc,, Philippine Integrated Energy Solutions, Inc., SIAL Specialty Retailers, Inc., and SIAL CVS Retailers, Inc.; Vice Chairman of Ayala Greenfield Development Corporation; Chairman and President of Serendra, Inc.; and Director and President of Bonifacio Land Corporation, Emerging City Holdings, Inc., Columbus Holdings, Inc. Berkshires Holdings, Inc., Fort Bonifacio Development Corporation, Aurora Properties Incorporated, Vesta Property Holdings, Inc., Ceci Realty Inc., Alabang Commercial Corporation, Accendo Commercial Corp., Hero Foundation Incorporated, Bonifacio Art Foundation; Director of Whiteknight Holdings, Inc., AyalaLand Medical Facilities Leasing, Inc., Alveo-Federal Land Communities, Inc., ALI Eton Property Development Corporation; Trustee of Ayala Foundation, Inc.; and Member of Ayala Group Club, Inc. In 2015, he was inducted as member of the Advisory Council of the National Advisory Group for the Police Transformation Development of the Philippine National Police. He earned a degree of B.B.A Accountancy from the University of Notre Dame in 1985 and took his Master's Degree in Business Administration in 1989 and Masters in International Relations in 1997 both at the University of Chicago.

.

President: ***Robert S. Lao***, Filipino, 50, has been Director and President since 30 September 2022. He is also the Group Head of Ayala Land's 51 Residential Business Group and the Group Head of the Central Land Acquisition Unit since January 1, 2017. He is concurrently the President of Alveo Land Corp., Avida Land Corp., Amaia Land Corp., Bellavita Land Corp., AKL Properties Inc., BGSouth Properties, Inc., Portico Land Corp., Amaia Southern Properties, Inc. and Avencosouth Corp. He is also the Chairman of the Board and President of Serendra, Inc.; He is the Director of BGNorth Properties, Inc. and Anvaya Cove Golf and Sports Club, Inc.; He is the Chairman of the Board of Amicassa Process Solutions, Inc., Solinea, Inc.; AyalaLand Premier, Inc.; Ayala Land International Sales, Inc.; and the Vice Chairman of the Board of Alveo-Federal Land Communities Inc. Prior to joining Ayala Land, Inc., he served as a Senior Process Engineer of Fujitsu Computer Products Corporation of the Philippines (FCPP) and Lead Process Engineer of PT. Quantum Electronics in Indonesia. He studied at the University of Santo Tomas (UST) and graduated cum laude in Bachelor of Science in Industrial Engineering in 1995. He completed his Master's in Business Management (MBM) degree in 2001 from the Asian Institute of Management (AIM) and attended the International Student Exchange Program from University of Cologne in Germany.

Treasurer: ***Clarissa Teresita L. Asuncion***, Filipino, 56, has been a Director of the Club since 9 July 2014 and was re-elected as its Treasurer on 30 September 2022 . She is the Treasurer and a Director of Petrolift Inc. and its subsidiaries: Transoil Corporation, Seatrans Corporation, Oceanlink Tankers Incorporated, Marinelink Tankers Corporation, Translift Ship Management, Inc., Marinelift Shipyard and Repair Inc., Equasis Logistics Incorporated. She is also the Treasurer and a Director of Petrolift Holdings Inc.; President and Director of Leonio Land Holdings, Inc.; Treasurer and Managing Director of LLL Holdings Inc.; and Director of LNL Archipelago Minerals Incorporated; and Vice Chairman, Treasurer and Director of Circle Corporate Inc. She served as Treasurer and Director of Leonio Land Holdings from 2012 to 2015 and of LNL Archipelago Minerals Incorporated from 2012 to 2014. She graduated with a degree in Business Administration from the University of the Philippines and finished her Master's in Business Administration from Asian Institute of Management where she graduated with distinction.

Director: ***Carlo Leonardo N. Leonio***, Filipino, 53, has been a Director of the Club since 9 July 2014. He first assumed this position on July 2014. He is the President and a Director of Petrolift Inc. & its subsidiaries: Transoil Corporation, Seatrans Corporation, Oceanlink Tankers Incorporated, Marinelink Tankers Corporation, Translift Ship Management Inc., Marinelift Shipyard and Repair Inc., Equasis Logistics Incorporated. He is also the President and Director of Petrolift Holdings, Inc. and Director of

Leonio Land Holdings, Inc., LLL Holdings Inc., LNL Archipelago Minerals Inc. and EVP & Director of Circle Corporate Inc. He attended Executive Master's Program in Asian Institute of Management.

Director: *Augusto D. Bengzon*, Filipino, 61, has been a Director of the Club since 9 July 2014. He joined ALI in December 2004 and currently serves as Vice President, Chief Finance Officer, Treasurer, Chief Information Officer, & Chief Compliance Officer. His other significant positions include: Treasurer of publicly listed companies, namely, Cebu Holdings, Inc., and Cebu Property Ventures and Development Corporation; Director of Prime Orion Philipines, Inc, also a publicly listed company, Anvaya Cove Golf & Sports Club, Inc., AyalaLand Commercial Reit, Inc., Makati Development Corporation, Nuevocentro, Inc., and Alinet.com, Inc.; Director and Treasurer of Aurora Properties Inc., Ayala Property Management Corporation, Ceci Realty Inc., Next Urban Alliance Development Corp., Philippine Integrated Energy Solutions, Inc. and Vesta Property Holdings, Inc.; Treasurer of ALI Eton Property Development Corporation, Amaia Land Corp., Avida Land Corp., Bellavita Land Corp., Hero Foundation Inc., and Roxas Land Corporation; and Assistant Treasurer of Ayala Greenfield Golf & Leisure Club, Inc.. Prior to joining ALI, he was Vice President and Credit Officer in Global Relationship Banking at Citibank N.A. where he spent sixteen years in various line management roles covering Treasury, Portfolio Management, Structuring, Debt Syndication and Relationship Management. He received his Bachelor of Science degree in Business Management from the Ateneo de Manila University and is a graduate of the Philippine Trust Institute. He was granted a full scholarship at the Asian Institute of Management where he received his Master's in Business Management degree.

Director: *Jennylle S. Tupaz*, Filipino, 51, has been a Director of the Club since 31 July 2021. She is currently the Vice President of Ayala Land, Inc. where she previously held the positions of Sr. Division Manager from 2010 to 2013, and Assistant Vice President from 2013 to 2016. She is also affiliated with Serendra, Inc. (Director), Accendo Commercial Corp. (Director and EVP), CDO Gateway Corp. (Director and President), and Five Star Cinema, Inc. (Chairman & President). She also served as Presidents of Alveo Land Corp. and Ayala Land Malls, Inc. from 2017 to 2018 and from 2018 to 2020, respectively. She holds a Bachelor of Science in Statistics degree which she obtained from the University of the Philippines Diliman in 1994, and a Master of Business Degree which she obtained from the University of Chicago Booth School of Business in 2019.

Director: *Lawrence Conrad N. Leonio*, Filipino, 55, has been a Director of the Club since 11 February 2015. He is the Chief Executive Officer (CEO) and a Director of Marinelift Shipyard and Repair, Inc. and Petrolift Inc. and the Managing Director of its subsidiaries: Transoil Corporation, Seatrans Corporation, Oceanlink Tankers Incorporated, Marinelink Tankers Corporation, Translift Ship Management Inc. and Equasis Logistics Incorporated. He is also the CEO and a Director of Petrolift Holdings Inc. and LLL Holdings Inc.; Director of Leonio Land Holdings, Inc.; and Managing Director of Circle Corporate Inc. He served as CEO & Director of LNL Archipelago Minerals Inc. from 2012 to 2014, a Director in 2015, and Chairman, President and Director in 2016 to present. He was also the President and Director of Circle Corporate Inc from 2012 to 2015. He graduated with a degree of B.S. Management from De La Salle University. He also completed a Professional Shipping Course at the Norwegian Shipping Academy in Oslo, Norway and holds an MBA degree major in Entrepreneurship at Olin Graduate School of Business at Babson College Massachusetts, USA.

Director: *Jose P. De Jesus*, Filipino, 89, has been an Independent Director of the Club since October 3, 2017. He is the Chairman of Clark Development Corporation, Converge ICT Solutions Inc., and Metroworks ICT Construction, Inc. He was the President and Chief Operating Officer of MERALCO (2009 to 2010); Secretary of the Department of Transportation and Communications from 2010 to 2011; President and Chief Executive Officer of the Manila North Tollways Corporation (2000 to 2008); Executive Vice President of the Philippine Long Distance Telephone Company from 1993 to 1999; and Secretary of the Department of Public Works and Highways (1990 to 1993). He is a director of Petron Corporation, Citra Metro Manila Tollways Corporation, Private Infra Development Corporation, and South Luzon Tollway Corporation. He is a Trustee of the Holy Angel University and Kapampangan Development Foundation. Mr. de Jesus graduated with a degree in AB Economics and Master of Arts in Social Psychology from the Ateneo de Manila University (ADMU). He was *Lux in Domino* (Most Outstanding Alumnus) awardee of ADMU in July 2012. He finished Graduate Studies in Human Development from the University of Chicago.

Director: *Oscar S. Reyes,* Filipino, 78, has been an Independent Director of the Club since February 2015. He holds the following positions in publicly listed companies (PLCs): CEO, Director, and President of Manila Electric Company (Meralco); Director of Pepsi Cola Products Philippines, Inc.; Independent Director of Bank of the Philippine Islands, Manila Water Company, Inc., Basic Energy Corporation and Cosco Capital Inc. He is the Chairman of the Board of Redondo Peninsula Energy, Inc., Meralco Industrial Engineering Services, Inc., Meralco Energy, Inc., MRail, Inc., MSpectrum, Inc., Atimonan One Energy, Inc., CIS Bayad Center, Inc., and PacificLight Power Pte, Ltd. He is a Director of Meralco PowerGen Corporation, Republic Surety & Insurance Company Inc., Sun Life Financial Plans, Inc., Sun Life Prosperity Funds, Grepalife Mutual Funds., Petrolift Corporation, PLTD Communications and Energy Ventures, Inc., Eramen Minerals, Inc., Meralco Powergen Corporation, Clark Electric Development Corporation. He is a member of the Advisory Board of Philippine Long Distance Telephone Company and a member of board committees of various companies. He is a member of the Vice-Chairman and member of the Board of Trustees of One Meralco Foundation, Inc. and a member of the Board of Trustee of Pilipinas Shell Foundation, Inc., SGV Foundation, Inc. and El Nido Foundation, Inc. He is also a member of various professional organizations. He served as Country Chairman of the Shell Companies in the Philippines, President of Pilipinas Shell Petroleum Corporation and Managing Director of Shell Philippines Exploration B.V. He holds a Bachelor of Arts degree, cum laude, in Economics from the Ateneo de Manila University and finished post-graduate studies at the Ateneo Graduate School of Business Administration, Waterloo Lutheran University, Canada and the Harvard Business School, Boston, USA.

Director: Jessie D. Cabaluna, Filipino, 67, has been an Independent Director of the Club since March 2023. She has served as a Partner at SyCip Gorres Velayo & Co. ("SGV& Co.") from 1997 to 2017. She is the President of Stetchworth House Inc. and also serves as an Independent Director of AREIT, Inc., AllDay Marts, Inc., AllHome Corp., Anvaya Cove Beach and Nature Club, Inc. Ms. Cabaluna graduated with a degree in Bachelor of Science in Commerce, major in Accounting from University of St. La Salle in 1977. She also completed the Management Development Program from the Asian Institute of Management in 1988, and Advance Management Program from the Harvard Business School in 2012.

General Manager (Development): *Marian Melanie Barbara B. Eugenio-Triviño,* Filipino, 38, has been the General Manager of the Club since 29 September 2023. She is also the General Manager of Nuevocentro, Inc. She holds a Bachelor and Master of Business Administration – BBA, Business Administration and Management at the University of Philippines – Diliman.

General Manager: *Johann V. Ramirez,* Filipino, 55, is the General Manager of the Club. He was previously connected with Globe Telecom as Retail Area Head for 15 years and with Taal Vista as an Executive Assistant Manager. He holds a Bachelor of Science degree in Business Administration at the International Academy of Management and Economics.

Corporate Secretary: *Anna Liza M. Ang-Co*, Filipino, 55, is the current Corporate Secretary of the Corporation. She is a Senior Partner of Co Ferrer & Ang-Co Law Offices, a full-service Philippine law firm specializing in corporate law, taxation, estate planning and settlement, corporate rehabilitation, and real estate transactions. She is also a Director, Rehabilitation Receiver, and Corporate Secretary of other Philippine corporations. She graduated with a degree of Bachelor of Science in Computer Science from the Ateneo de Manila University in 1990 and earned her Law degree from the University of the Philippines in 1994.

Assistant Corporate Secretary: ***Reinerr John A. Nuestro,*** Filipino, 34, is the current Assistant Corporate Secretary of the Corporation. He is a Senior Associate of Co Ferrer & Ang-Co Law Offices, a full-service Philippine law firm specializing in corporate law, taxation, estate planning and settlement, corporate rehabilitation, and real estate transactions. He graduated with a Bachelor of Arts degree in Psychology, cum laude, from the University of the Philippines in 2010 and earned his Juris Doctor degree from the same university in 2017.

Chief Finance Officer, Comptroller and Compliance Officer: ***Hyacintha Mea G. Chim***, Filipino, 35, has been the Chief Finance Officer, Comptroller and Compliance Officer of the Club since 29 September 2023. She holds a Bachelor of Science degree in Accountancy from the Pamantasang Lungsod ng Maynila.

Chief Audit Executive: ***Jenny Vie H. Julia,*** Filipino, 40, is currently the Internal Audit Manager handling Residential Business Group (RBG) and Property Management (APMC) of Ayala Land Inc. (ALI). She is a Certified Public Accountant (CPA), Certified Internal Auditor (CIA), and a member of the Institute of Internal Auditors Philippines (IIAP). She holds a Bachelor of Science in Accountancy degree from the Ateneo de Naga University and was awarded with Latin Honor.

Assistant Treasurer: ***Regina F. Magbitang,*** *Filipino,* 52, married, and a Certified Public Accountant. She is the Chief Financial Officer of Petrolift, Inc. She is the Treasurer of LLL Holdings, Inc. (2017); Leonio Land Holdings, Inc. from 2015 to 2017; and LNL Archipelago Minerals, Inc. from 2014 to 2017. She is also the President of Corporate Circle, Inc. from 2016 to 2017. She worked as an Auditor in Joaquin Cunanan/Price Waterhouse Coopers before joining the Leonio Group of Companies as Financial Analyst and assumed higher positions as Accounting Supervisor, Treasury Officer, Finance Manager, Assistant General Manager for Corporate Services, General Manager for Shipping, and General Manager for Shared Services and Comptroller. She graduated with a degree of BS Accountancy with magna cum laude honors at St. Scholastica's College and Masters in Business Administration at the Graduate School of De La Salle University.

Data Protection Officer*:* ***Ameila Ann T. Alipao,*** Filipino, 61, is currently Vice President and Chief Information Officer of ALI. She is also the Group Data Protection Officer for ALI Group of Companies and presently a member of the Data Privacy Council for Real Estate of the National Privacy Commission. She sits on the board of APRISA Business Process Solutions, Inc and HCX Technology Partners Inc. She is also Vice President for Ka-uSAP inc, a non-profit organization for SAP User Group of the Philippines. She is currently a member of the ALI Corporate Bidding Committee. She previously occupied this role in 2009-2011 and acted as Chairperson. Before joining ALI, she took on dual roles in SAP Philippines as Account Manager, handling government accounts, and project manager for SAP Implementation. She served as Assistant Vice President in Coca-Cola Bottlers Philippines, Inc., where she held various IT systems implementation projects. She started her IT career as an IT Instructor in I/Act of SyCip Gorres Velayo & Co. She holds a Bachelor of Arts in Biology and a Bachelor of Science in Business Management from De La Salle University.

Significant Employees

As of December 31, 2023, the Club already employed 14 full-time employees and 74 contractual workers. Consultants may also be hired for concerns that require expertise. Employment base is expected to increase once members' patronage of the Club increases, requiring more manpower resource, and/or once the need arises.

Family Relationships

Leonardo L. Leonio is the father of Clarissa T. Leonio Asuncion, Lawrence N. Leonio and Carlo N. Leonio.

Involvement in Legal Proceedings (over the past 5 years)

For the past five (5) years immediately preceding the date of this report, none of the directors and officers has been involved in any material pending legal proceedings in any court or administrative agency of the Government. In particular, none of the directors and officers have been involved in any bankruptcy petition nor in any conviction by final judgment in a criminal proceeding, domestic or foreign, excluding traffic violations and other minor offenses. None of the directors and officers became the subject of any order, judgment or decree of any court of competent jurisdiction, domestic or foreign, permanently or temporarily enjoining, barring suspending or otherwise limiting their involvement in any type of business, securities, commodities or banking activities. None of the directors and officers were found by a domestic or foreign court of competent jurisdiction (in a civil action), the SEC or comparable foreign body, or a domestic or foreign exchange or other organized trading market or self-regulatory organization, to have violated a securities or commodities law or regulation.

Items 10. Executive Compensation

No remuneration shall be paid by the Club, directly or indirectly, to the directors of the Club. The President of the Club shall not receive any remuneration or compensation from the Club.

Items 11. Security Ownership of Certain Beneficial Owners and Management

The security ownership of certain record and beneficial owners of more than 5% of common shares as of the date of this report is as follows:

Title of Class	Name and Address of Record Owner and Relationship to the Issuer	Name of Beneficial Owner & Relationship w/ Record Owner	Citizenship	No. of Shares Held	%
Class A (Founders')	Nuevocentro, Inc. (NCI) 31/F Tower One & Exchange Plaza, Ayala Avenue, Makati *Parent company of the Issuer	NCI is both beneficial and record owner.	Filipino	3,688	99.67%
Class B	NCI (same address) *Parent company of the Issuer	NCI is both beneficial and record owner.	Filipino	2,292	88.15%
Class C	NCI (same address) *Parent company of the Issuer	NCI is both beneficial and record owner.	Filipino	273	91.00%
Class D	NCI (same address) *Parent company of the Issuer	NCI is both beneficial and record owner.	Filipino	200	100%

The Board of Directors of NCI has the power to decide how NCI's shares in the Club are to be voted. The following are the members of the Board of Directors of NCI as of the date of this report: Anna Ma. Margarita B. Dy, Robert S. Lao, Antonio T. Aquino, Arturo G. Corpuz, Leonardo L. Leonio, Clarissa Teresita L. Asuncion, Carlo Leonardo N. Leonio, Lawrence Conrad N. Leonio, and Jennylle S. Tupaz.

None of the directors, executive officers, and members of their immediate family owns ten percent (10%) or more of total outstanding shares in the Club.

Security Ownership of Management

The following table sets forth the current share ownership of the directors and officers of the Club:

Title of Class	Name of Record Owner	Amount and Nature of Beneficial Ownership	Citizenship	%
Class A (Founders')	Bernard Vincent O. Dy	1 (Qualifying Share)	Filipino	0.01%
Class A (Founders')	Augusto D. Bengzon	1 (Qualifying Share)	Filipino	0.01%
Class A (Founders')	Jennylle S. Tupaz	1 (Qualifying Share)	Filipino	0.01%
Class A (Founders')	Robert S. Lao	1 (Qualifying Share)	Filipino	0.01%
Class A (Founders')	Lawrence Conrad N. Leonio	1 (Qualifying Share)	Filipino	0.01%
Class A (Founders')	Leonardo L. Leonio	1 (Qualifying Share)	Filipino	0.01%
Class A (Founders')	Clarissa Teresita L. Asuncion	1 (Qualifying Share)	Filipino	0.01%
Class A (Founders')	Carlo Leonardo N. Leonio	1 (Qualifying Share)	Filipino	0.01%
Class A (Founders')	Oscar S. Reyes*	1	Filipino	0.01%
Class A (Founders')	Jose P. De Jesus*	1	Filipino	0.01%
Class A (Founders')	Jessie D. Cabaluna*	1	Filipino	0.01%
N/A	Marian Melanie Barbara B. Eugenio-Triviño	-	Filipino	0.00%
N/A	Johann V. Ramirez	-	Filipino	0.00%
N/A	Hyacintha Mea G. Chim	-	Filipino	0.00%
N/A	Regina F. Magbitang	-	Filipino	0.00%
N/A	Jenny Vie H. Julia	-	Filipino	0.00%
N/A	Amelia Ann T. Alipao	-	Filipino	0.00%
N/A	Anna Liza M. Ang Co	-	Filipino	0.00%
N/A	Reinerr John A. Nuestro	-	Filipino	0.00%

NCI is the beneficial owner of the qualifying shares held by the regular directors of the Club.

None of the members of the Club's directors and management owns 2.0% or more of the outstanding capital stock of the Club. Further, the Club has no commitment to its directors and officers with respect to the issuance of shares of any class.

Changes in Control

There are no arrangements which may result in a change in control of the Club.

Items 12. Certain Relationships and Related Transactions

The Club, in their regular conduct of business, has entered into transactions with associates and other related parties principally consisting of advances and reimbursement of expenses, purchase of real estate properties, construction contracts, and development, management and administrative service agreements. Purchases of services from related parties are made on an arm's length basis and at current market prices at the time of the transactions.

None of the directors, executive officers, and members of their immediate family owns ten percent (10%) or more of total outstanding shares in the Club.

No transactions shall be entered into by the Club in which any director, executive officer, nominee for election as director, security holder in the Club, or immediate family member of any of the foregoing, shall have a direct or indirect material interest.

The total outstanding capital stock of the Club is owned 94.90% by NCI. The breakdown of the shareholdings in the Club per class of shares is shown in greater detail under the section *Financial Information* (under the heading *Security Ownership of Certain Beneficial and Record Shareholders*).

PART V – CORPORATE GOVERNANCE

Item 13. Compliance with Leading Practice on Corporate Governance

The machinery for corporate governance of the Club is principally contained in the Articles of Incorporation and By-Laws and their amendments. These constitutive documents lay down, among others, the basic structure of governance, minimum qualifications of directors, and the principal duties of the Board of Directors and officers of the Corporation.

The Club has adopted a Manual of Corporate Governance in accordance with the Securities Regulation Code and SEC Memorandum Circular No. 24-2019, otherwise known as the Code of Corporate Governance for Public Companies and Registered Issuers. The function of the Manual of Corporate Governance is to supplement and complement the Club's Articles of Incorporation and By-Laws by setting forth principles of good and transparent governance.

The Board of Directors, Management, officers and employees of the Club commit themselves to the principles and best practices of governance contained in the Manual of Corporate Governance as a guide in the attainment of its corporate goals. The Club shall make a continuing effort to create awareness of good corporate governance within the organization.

New initiatives are regularly pursued to develop and adopt corporate governance best practices and to build the right corporate culture across the organization.

The Manual was initially amended to conform with the Code of Corporate Governance for Public Companies and Registered Issuers which were approved by the Board of Directors on 26 June 2020. Further amendments to the Manual on Corporate Governance to improve the Corporation's corporate governance practices were approved by the Board of Directors on 8 August 2022 and were filed with the Commission on 26 August 2022.

There has been no significant deviation from the Club's Manual of Corporate Governance.

PART VI – EXHIBITS AND SCHEDULES

Item 14. Exhibits and Reports on SEC Form 17-C

(a) Exhibits – See accompanying Index to Exhibits

The following exhibit is incorporated by reference in this report:

2023 Audited Financial Statements

The other exhibits, as indicated in the Index to Exhibits are either not applicable to the Club or require no answer.

(b) Reports on SEC Form 17-C

The following current reports have been submitted by the Club in 2023:

1. Election of Independent Director, Ms. Jessie D. Cabaluna, on 31 March 2023 to serve for the remaining term of Mr. Arturo G. Corpuz, the latter having resigned upon the election and qualification of the former.
2. Election of General Manager for Development, Ms. Melanie B. Eugenio-Triviño, on 31 March 2023.
3. Changes in the Membership Composition of the Audit and Risk Oversight and Corporate Governance and Nomination Committees implemented on 31 March 2023.
4. Engagement of Stock Transfer Services, Inc. (STSI) as the Club's new stock transfer agent beginning 01 May 2023.
5. Appointment of PwC Isla Lipana & Co. as the Corporation's independent auditor for 2023, as approved by the Board of Directors on 23 May 2023 following the endorsement of the Audit and Risk Oversight Committee, which appointment shall be endorsed to the stockholders of the Corporation for approval at the 2023 Annual Stockholders' Meeting.
6. Setting of the 2023 Annual Stockholders' Meeting to 29 September 2023 to be conducted via remote communication.
7. Results of the Annual Stockholders' Meeting and Organizational Meeting of the Board of Directors both held on 29 September 2023.

(c) Reports under SEC Form 17-C filed

None.

(d) Material events subsequent to the end of the reporting period that have not been reflected in the financial statements of the reporting period.

There were no material financial impact that needs to be recognized for the financial statements as of December 31, 2023.

SIGNATURES

Pursuant to the requirements of Section 17 of the Code and Section 141 of the Corporation Code, this report is signed on behalf of the issuer by the undersigned, thereunto duly authorized, in Makati City on 15 APR 2024

By:

Robert S. Lao
President

Anna Liza M. Ang Co
Corporate Secretary

Hyacintha Mea G. Chim
Comptroller/Chief Finance Officer, and Compliance Officer

Johann V. Ramirez
General Manager

SUBSCRIBED AND SWORN to before me this 15 APR 2024 affiants exhibiting to me their respective valid and legal ID, as follows:

Name	Competent Evidence of Identity	Date and Place of Issue
Robert S. Lao	DL# N04-02-480391	February 18, 2019/Quezon City
Anna Liza M. Ang Co	DL# C05-86-108630	February 1, 2019/Manila
Hyacintha Mea G. Chim	PP# P3215552B	September 15, 2019/DFA NCR West
Johann V. Ramirez	DL# N04-86-032546	May 5, 2019/Zambales

ATTY. ROGELIO J. BOLIVAR
NOTARY PUBLIC IN QUEZON CITY
Commission No. Adm. Matter No. NP 549 (2023-2024)
IBP O.R. No. 180815 2023 & IBP O.R. No. 180816 2024
PTR O.R. No. 4127771 D 01/03/2024 / Roll No. 33832 / TIN # 129-871-009-000
MCLE No. 7&8 FROM APRIL 15, 2023 UNTIL APRIL 14, 2025
Address: 31-F Harvard St. Cubao, Q.C.

Doc. No. 147
Page No. 30
Book No. X.
Series of 2024.

ALVIERA COUNTRY CLUB, INC.
INDEX TO EXHIBITS
FORM 17-A – Item 7

2023 Financial Statements		Attached
Additional Exhibits	n.a.	

----

n.a. Not applicable or require no answer

COVER SHEET
for
AUDITED FINANCIAL STATEMENTS

SEC Registration Number

C	S	2	0	1	4	1	2	2	2	9

COMPANY NAME

ALVIERA COUNTRY CLUB, INC.

PRINCIPAL OFFICE (No./Street/Barangay/City/Town/Province)

Alviera Country Club, Brgy. Hacienda Dolores, Porac, Pampanga

Form Type	Department requiring the report	Secondary License Type, if Applicable
AAFS	CRMD	N/A

COMPANY INFORMATION

Company's Email Address	Company's Telephone Number/s	Mobile Number
N/A	02 (8817-6971) to 95	N/A

No. of Stockholders	Annual Meeting (Month/Day)	Fiscal Year (Month/Day)
166	September 30	12/31

CONTACT PERSON INFORMATION

The designated contact person ***MUST*** be an Officer of the Corporation

Name of Contact Person	Email Address	Telephone Number/s	Mobile Number
Hyacintha Mea G. Chim	chim.hya@ayalaland.com.ph	7908-3720	N/A

CONTACT PERSON's ADDRESS

4th Floor, Tower One and Exchange Plaza, Ayala Triangle, Ayala Avenue, Makati City

Note 1: In case of death, resignation or cessation of office of the officer designated as contact person, such incident shall be reported to the Commission within thirty (30) calendar days from the occurrence thereof with information and complete contact details of the new contact person designated.

2: All boxes must be properly and completely filled-up. Failure to do so shall cause the delay in updating the corporation's records with the Commission and/or non-receipt of Notice of Deficiencies. Further, non-receipt of Notice of Deficiencies shall not excuse the corporation from liability for its deficiencies.

ALVIERA COUNTRY CLUB, INC.

STATEMENT OF MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL STATEMENTS

The management of ALVIERA COUNTRY CLUB, INC. is responsible for the preparation and fair presentation of the financial statements including the schedules attached therein, for the years ended December 31, 2023, 2022 and 2021, in accordance with the prescribed financial reporting framework indicated therein, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud of error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors is responsible for overseeing the Company's financial reporting process.

The Board of Directors reviews and approves the financial statements including the schedules attached therein, and submits the same to the stockholders or members.

Isla Lipana & Co., the independent auditor, appointed by the stockholders, has audited the financial statements of the company in accordance with Philippine Standards on Auditing, and in its report to the stockholders or members, has expressed its opinion on the fairness of presentation upon completion of such audit.

LEONARDO L. LEONIO
Chairman

ROBERT S. LAO
President

HYACINTHA MEA G. CHIM
Chief Finance Officer

Signed this 12th day of April 2024.

ACKNOWLEDGEMENT

REPUBLIC OF THE PHILIPPINES)
CITY OF QUEZON CITY)SS.

I certify that on 15 APR 2024, before me, a notary public duly authorized in the city named above to take acknowledgements, personally appeared:

Name	Competent Evidence of Identity	Date and Place of Issue
Leonardo L. Leonio	Passport no. P8987428B	February 17, 2022/DFA NCR South
Robert S. Lao	DL# N04-02-480391	February18, 2019/Quezon City
Hyacintha Mea G. Chim	DL# .N04-86-032546	September 15, 2019/DFA NCR West

who made themselves known to me and to be the same persons who executed the foregoing instrument and they acknowledged to me that the same is their free and voluntary act and deed and that of the juridical person herein presented.

The instrument refers to a Statement of Management's Responsibility for Financial Statements, consisting of two (2) pages including this page on which acknowledgement is written, signed by the parties and their instrumental witnesses on each and every page thereof.

WITNESS MY HAND AND SEAL on the date and the place first above written.

ATTY. ROGELIO J. BOLIVAR
NOTARY PUBLIC IN QUEZON CITY
Commission No. Adm. Matter No. NP 549 (2023-2024)
IBP O.R. No. 180815 2023 & IBP O.R. No. 180816 2024
PTR O.R. No. 4127771 D 01/03/2024 / Roll No. 33832 / TIN # 129-871-009-000
MCLE No. 7&8 FROM APRIL 15, 2023 UNTIL APRIL 14, 2025
Address: 31-F Harvard St. Cubao, Q.C.

Doc no. 175
Page no. 28
Book no. X
Series of 2024

Independent Auditor's Report

To the Board of Directors and Shareholders of
Alviera Country Club, Inc.
Alviera Country Club, Brgy. Hacienda Dolores
Porac, Pampanga

Report on the Audit of the Financial Statements

Our Opinion

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of Alviera Country Club, Inc. (the "Club") as at December 31, 2023, and its financial performance and its cash flows for the year then ended in accordance with Philippine Financial Reporting Standards (PFRS).

What we have audited

The financial statements of the Club comprise:

- the statement of financial position as at December 31, 2023;
- the statement of comprehensive loss for the year ended December 31, 2023;
- the statement of changes in equity for the year ended December 31, 2023;
- the statement of cash flows for the year ended December 31, 2023; and
- the notes to the financial statements, including material accounting policy information.

Basis for Opinion

We conducted our audit in accordance with Philippine Standards on Auditing (PSA). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Club in accordance with the Code of Ethics for Professional Accountants in the Philippines (Code of Ethics), together with the ethical requirements that are relevant to our audit of the financial statements in the Philippines, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics.

Other Information

Management is responsible for the other information. The other information comprises the information included in the SEC Form 20-IS (Definitive Information Statement), SEC Form 17-A and Annual Report but does not include the financial statements and our auditor's report thereon. The SEC Form 20-IS (Definitive Information Statement), SEC Form 17-A and Annual Report for the year ended December 31, 2023 are expected to be made available to us after the date of this auditor's report.

Our opinion on the financial statements does not cover the other information and we will not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

Other matter

The financial statements of the Club as at and for each of the two years in the period ended December 31, 2022 were audited by another auditor who expressed an unmodified opinion on those financial statements on March 31, 2023.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with PFRS, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Club's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Club or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Club's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with PSA will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with PSA, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Club's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Club's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Club to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Report on the Bureau of Internal Revenue (BIR) Requirement

Our audit was conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplementary information in Note 15 to the financial statements is presented for purposes of filing with the BIR and is not a required part of the basic financial statements. Such supplementary information is the responsibility of management and has been subjected to the auditing procedures applied in our audit of the basic financial statements. In our opinion, the supplementary information is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Isla Lipana & Co.

Paul Chester See

Paul Chester U. See
Partner
CPA Cert. No. 104941
P.T.R. No. 0011425; issued on January 12, 2024 at Makati City
T.I.N. 202-215-515
BIR A.N. 08-000745-122-2024; issued on February 13, 2024; effective until February 12, 2027
BOA/PRC Reg. No. 0142, effective until November 14, 2025

Makati City
April 12, 2024

Statement Required by Rule 68
Securities Regulation Code (SRC)
As Amended on October 3, 2019

To the Board of Directors and Shareholders of
Alviera Country Club, Inc.
Alviera Country Club, Brgy. Hacienda Dolores,
Porac, Pampanga

We have audited the financial statements of Alviera Country Club, Inc. (the "Club") as at and for the year ended December 31, 2023 on which we have rendered the attached report dated April 12, 2024

In compliance with SRC Rule 68 and based on the certification received from the Club's corporate secretary and the results of our work done, the Club has one (1) shareholder owning one hundred (100) shares or more as at December 31, 2023.

Isla Lipana & Co.

Paul Chester See

Paul Chester U. See
Partner
CPA Cert. No. 104941
P.T.R. No. 0011425; issued on January 12, 2024 at Makati City
T.I.N. 202-215-515
BIR A.N. 08-000745-122-2024; issued on February 13, 2024; effective until February 12, 2027
BOA/PRC Reg. No. 0142, effective until November 14, 2025

Makati City
April 12, 2024

Statement Required by Rule 68
Securities Regulation Code (SRC)

To the Board of Directors and Shareholders of
Alviera Country Club, Inc.
Alviera Country Club, Brgy. Hacienda Dolores,
Porac, Pampanga

We have audited the financial statements of Alviera Country Club, Inc. (the Club) as at and for the year ended December 31, 2023 on which we have issued our report thereon dated April 12, 2024. Our audit was made for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplementary information shown in the Reconciliation of Retained Earnings Available for Dividend Declaration and supplementary schedules required under Annex 68-J of the Revised Securities Regulation Code (SRC) Rule 68 are the responsibility of the Club's management. These schedules are presented for purposes of complying with the Revised SRC Rule 68 and are not part of the basic financial statements. These schedules have been subjected to the auditing procedures applied in the audit of the basic financial statements. In our opinion, the supplementary schedules have been prepared in accordance with the Revised SRC Rule 68.

Isla Lipana & Co.

Paul Chester See

Paul Chester U. See
Partner
CPA Cert. No. 104941
P.T.R. No. 0011425; issued on January 12, 2024 at Makati City
T.I.N. 202-215-515
BIR A.N. 08-000745-122-2024; issued on February 13, 2024; effective until February 12, 2027
BOA/PRC Reg. No. 0142, effective until November 14, 2025

Makati City
April 12, 2024

Alviera Country Club, Inc.

Statement of Financial Position
As at December 31, 2023
(With comparative figures as at December 31, 2022)
(All amounts in Philippine Peso)

	Notes	2023	2022
Assets			
Current assets			
Cash	2	10,707,613	3,279,836
Accounts and other receivables	3	11,397,965	8,285,461
Inventories	4	730,730	609,926
Other current assets		303,460	308,706
Total current assets		23,139,768	12,483,929
Non-current assets			
Property and equipment, net	5	748,691,415	776,346,451
Advances to contractors		144,884	144,884
Input value-added tax (VAT)		118,713,427	115,157,230
Deposits		1,269,785	1,269,785
Total non-current assets		868,819,511	892,918,350
Total assets		891,959,279	905,402,279
Liabilities and Equity			
Current liability			
Accounts and other payables	6	174,879,503	138,643,781
Non-current liability			
Retention payable	6	3,233,414	7,065,259
Total liabilities		178,112,917	145,709,040
Equity			
Capital stock	7	956,745,130	956,745,130
Deficit		(242,898,768)	(197,051,891)
Total equity		713,846,362	759,693,239
Total liabilities and equity		891,959,279	905,402,279

The notes on pages 1 to 25 are an integral part of these financial statements.

Alviera Country Club, Inc.

Statement of Comprehensive Loss
For the year ended December 31, 2023
(With comparative figures for the years ended December 31, 2022 and 2021)
(All amounts in Philippine Peso)

	Notes	2023	2022	2021
Revenues				
Sale of goods	10	22,358,127	18,126,836	16,136,067
Membership dues	10	22,011,320	17,713,140	12,067,714
Service income	10	2,675,027	2,047,059	853,827
Interest income	2	13,165	16,858	21,724
Other income	10	8,380,840	541,176	97,031
		55,438,479	38,445,069	29,176,363
Expenses				
Direct operating expenses	10	40,731,360	37,148,712	33,181,028
Cost of sales and services	10	40,501,645	39,587,100	24,696,590
General administrative expenses	10	20,049,718	12,363,836	10,315,193
		101,282,723	89,099,648	68,192,811
Loss before income tax		45,844,244	50,654,579	39,016,448
Income tax expense	8	2,633	3,372	4,345
Net loss for the year		45,846,877	50,657,951	39,020,793
Other comprehensive income for the year		-	-	-
Total comprehensive loss for the year		45,846,877	50,657,951	39,020,793

The notes on pages 1 to 25 are an integral part of these financial statements.

Alviera Country Club, Inc.

Statement of Changes in Equity
For the year ended December 31, 2023
(With comparative figures for the years ended December 31, 2022 and 2021)
(All amounts in Philippine Peso)

	Note	2023	2022	2021
Paid in capital	7			
Common stock, no par value				
Class A - 3,700 shares		296,055,755	296,055,755	296,055,755
Class B - 2,600 shares		546,620,750	546,620,750	546,620,750
Class C - 300 shares		63,071,625	63,071,625	63,071,625
Class D - 200 shares		50,997,000	50,997,000	50,997,000
		956,745,130	956,745,130	956,745,130
Deficit				
Balance at beginning of year		(197,051,891)	(146,393,940)	(107,373,147)
Total comprehensive loss for the year		(45,846,877)	(50,657,951)	(39,020,793)
Balance at end of year		(242,898,768)	(197,051,891)	(146,393,940)
		713,846,362	759,693,239	810,351,190

The notes on pages 1 to 25 are an integral part of these financial statements.

Alviera Country Club, Inc.

Statement of Cash Flows
For the year ended December 31, 2023
(With comparative figures for the years ended December 31, 2022 and 2021)
(All amounts in Philippine Peso)

	Notes	2023	2022	2021
Cash flows from operating activities				
Loss before income tax		(45,844,245)	(50,654,579)	(39,016,448)
Adjustments for:				
Depreciation expense	10	25,549,222	25,139,192	24,301,876
Loss on property and equipment write-off	5	3,109,126	-	-
Interest income	2	(13,165)	(16,858)	(21,724)
Loss before changes in working capital		(17,199,062)	(25,532,245)	(14,736,296)
Decrease (increase) in:				
Accounts and other receivables		(3,112,504)	607,950	(1,401,519)
Inventories		(120,804)	279,813	758,936
Other current assets		5,246	(218,503)	(4,332)
Input VAT		(3,556,197)	(3,288,855)	(1,511,891)
Increase in accounts and other payables		16,877,522	4,552,298	19,846,729
Cash (absorbed by) generated from operations		(7,105,799)	(23,599,542)	2,951,627
Interest received		13,165	16,858	21,724
Final tax paid		(2,633)	(3,372)	(4,345)
Net cash (used in) provided by operating activities		(7,095,267)	(23,586,056)	2,969,006
Cash flows from investing activities				
Additions to property and equipment	5	(1,003,312)	(5,794,233)	(4,348,883)
Decrease (increase) in:				
Retention payables		(3,831,845)	-	(2,682,130)
Advances to contractors		-	-	1,583,337
Net cash used in investing activities		(4,835,157)	(5,794,233)	(5,447,676)
Financing activities				
Advances from the Parent Company	12	19,358,201	25,000,000	14,000,000
Payment of advances from the Parent Company	12	-	-	(10,000,000)
Net cash provided by financing activities		19,358,201	25,000,000	4,000,000
Net increase (decrease) in cash		7,427,777	(4,380,289)	1,521,330
Cash at beginning of year		3,279,836	7,660,125	6,138,795
Cash at end of year	2	10,707,613	3,279,836	7,660,125

The notes on pages 1 to 25 are an integral part of these financial statements.

Alviera Country Club, Inc.

Notes to the Financial Statements
As at and for the year ended December 31, 2023
(With comparative figures as at and for the years ended December 31, 2022 and 2021)
(All amounts are shown in Philippine Peso unless otherwise stated)

1 General information

(a) Corporate information

Alviera Country Club, Inc. (the "Club") was registered with the Securities and Exchange Commission (SEC) on July 9, 2014. It was established primarily to construct, maintain, manage and carry on the business of a sports and leisure club and its facilities in the Municipality of Porac, Pampanga, for the amusement, entertainment, recreational and athletic activities, on a non-profit basis, of its members. The Club is a subsidiary of Nuevocentro, Inc (NCI), the Parent Company. NCI's parent is Ayala Land, Inc. (ALI). ALI's parent is Ayala Corporation (AC). AC is a publicly-listed Company. Both ALI and AC are incorporated in the Republic of the Philippines.

On July 17, 2014, the Board of Directors (BOD) approved the application for the registration and licensing with the SEC of the Club's 6,800 shares, consisting of 3,700 Class A no par value shares, 2,600 Class B no par value shares, 300 Class C no par value shares and 200 Class D no par value shares, to be offered to the public. The SEC issued the Certificate of Permit to Offer securities for Sale on May 6, 2015.

The Club is exempt from payment of income tax on income received from social, recreational, and athletic activities on a non-profit basis provided that no part of the Club's income shall inure to the benefit of any of its members, trustees and officers. Under Section 30 (E) of the Tax Reform Act of 1997, an organization organized for recreational, sports and athletic activities shall be exempt from payment of income tax on income received from aforementioned activities.

On August 3, 2012, the Bureau of Internal Revenue (BIR) has issued Revenue Memorandum Circular (RMC) No. 35-2012 clarifying that clubs organized and operated exclusively for pleasure, recreation and other non-profit purposes are subject to income tax and value-added tax (VAT) on their income from whatever source, including but not limited to membership fees, assessment dues, rental income, and service fees.

On August 13, 2019, the Supreme Court (SC) declared that membership fees, assessment dues, and fees of similar nature collected by Clubs which are organized and operated exclusively for pleasure, recreation, and other nonprofit purposes do not constitute as: (a) "the income of recreational clubs from whatever source" that are "subject to income tax"; and (b) part of the "gross receipts of recreational clubs" that are "subject to VAT". Starting October 1, 2020, the Club no longer collect output VAT on membership fees and fees of similar nature.

The Club started its commercial operations last March 28, 2019 and had its official Grand Launch on July 31, 2019.

The Club's registered office address and principal place of business is at Alviera Country Club, Brgy. Hacienda Dolores, Porac, Pampanga.

(b) Status of Operations

The Club incurred net losses amounting to P45,846,877 and P50,657,951 in 2023 and 2022, respectively, resulting in deficit amounting to P242,898,768 and P197,051,891 as at December 31, 2023 and 2022, respectively. Also, the Club's current liabilities exceeded its total current assets by P151,739,735 and P126,159,852 as at December 31, 2023 and 2022, respectively. The Club's Parent Company is committed to provide the necessary financial support for the Club's working capital requirements to meet its liabilities and other possible obligation and responsibilities in order for it to continue its business operations as a going concern.

In addition, management has assessed that the Club is still able to maintain sufficient liquidity, to enable the Club to continue as a going concern for at least the next 12 months from the date of these financial statements.

(c) Approval of the financial statements

The accompanying financial statements were authorized for issuance by the Audit and Risk Committee on April 12, 2024 in accordance with the approval by the BOD on February 16, 2024.

2 Cash

This account consists of:

	2023	2022
Cash in banks	10,657,613	3,229,836
Cash on hand	50,000	50,000
	10,707,613	3,279,836

Cash in banks refer to savings account maintained by the Club with a local bank and earn interest at the prevailing bank deposit rates. Interest income earned from cash in a related party bank amounted to P11,344, P16,858, and P21,724 in 2023, 2022, and 2021, respectively (Note 9). Interest income earned from cash in a third party bank amounted to P1,821, and nil in 2023, 2022 and 2021, respectively. Corresponding final tax in 2023, 2022 and 2021 amounted to P2,633, P3,372, and P4,345, respectively.

3 Accounts and other receivables

This account consists of:

	Note	2023	2022
Trade receivables		10,888,255	7,531,136
Due from related parties	9	290,730	290,730
Receivable from employees		218,980	463,595
		11,397,965	8,285,461

Trade receivables pertain mainly to sales generated by the Club's restaurant, and sports and recreation facilities. These are collectible and billed to members within one month from consumption and usage.

Due from related parties pertains to usage of the Club's facilities (Note 9).

Receivable from employees represent advances for travel and other expenses arising in the ordinary course of business. These are non-interest bearing and are recoverable through expense liquidation within one month from grant date.

4 Inventories

Inventories are stated at cost, which is lower than their net realizable value. Inventories of the Club mainly consist of food and beverage which amounted to P730,730 as at December 31, 2023 (2022 - P609,926).

Cost of food and beverages charged to operations amounted to P9,014,632, P9,999,369, and P6,980,802 in 2023, 2022 and 2021, respectively (Note 10).

5 Property and equipment, net

Movements in this account are as follows:

	Land	Building	Facilities, furniture, fixtures and equipment	Transportation equipment	Total
Cost					
Balance at January 1, 2022	14,429,178	818,420,257	17,404,820	3,802,541	854,056,796
Additions	-	-	5,794,233	-	5,794,233
Balance at December 31, 2022	14,429,178	818,420,257	23,199,053	3,802,541	859,851,029
Additions	-	-	1,003,312	-	1,003,312
Write-off	-	-	(3,109,126)	-	(3,109,126)
Balance at December 31, 2023	14,429,178	818,420,257	21,093,239	3,802,541	857,745,215
Accumulated depreciation					
Balance at January 1, 2022	-	49,317,516	6,956,473	2,091,397	58,365,386
Depreciation (Note 10)	-	20,589,214	3,789,470	760,508	25,139,192
Balance at December 31, 2022	-	69,906,730	10,745,943	2,851,905	83,504,578
Depreciation (Note 10)	-	20,460,506	4,328,208	760,508	25,549,222
Balance at December 31, 2023	-	90,367,236	15,074,151	3,612,413	109,053,800
Net book value					
December 31, 2023	14,429,178	728,053,021	6,019,088	190,128	748,691,415
December 31, 2022	14,429,178	748,513,527	12,453,110	950,636	776,346,451

The Club acquired 5.62 hectares of land in Porac, Pampanga in 2014 from NCI (Note 1) for the future construction site of the Club's premises. The Club recognized the property as "Land" at its purchase price plus directly attributable taxes amounting to P14,429,178.

Management believes that there was no indication of impairment and that the recoverable amount of property and equipment exceeds its carrying amounts. Accordingly, no impairment loss was recognized in 2023 and 2022.

6 Liabilities

Accounts and other payables

This account consists of:

	Note	2023	2022
Accounts payable		2,161,493	1,995,917
Due to related parties	9	140,601,921	119,471,299
Contract liability		11,571,419	5,523,018
Payables to government agencies		10,586,144	6,416,745
Accrued expenses		9,958,526	5,236,802
		174,879,503	138,643,781

Due to related parties largely pertains to unpaid advances, utilities, and communication expense.

Contract liability pertains to payments received from member for future consumption of Club's services and facilities, monthly membership dues received by the Club in advance, deposits from members and guests for booked functions and events.

Accounts payable pertains to other construction services and purchase of inventories. These are non-interest bearing and are settled within one year.

Accrued expenses pertain to unpaid professional fees and contracted services incurred by the Club.

Payables to government agencies pertains to withholding taxes payable to Bureau of Internal Revenue (BIR), statutory employee remittances to other government agencies and provision for real property tax (RPT) assessment.

Retention payable

The Club's retention payable presented in the statement of financial position amounted to P3,233,414 as at December 31, 2023 (2022 - P7,065,259). These includes amounts held against contractors which are settled upon completion of the construction projects.

7 Equity

The Club has an authorized capital stock of 6,800, no par value shares. The details of the number of authorized and issued shares of the Club as at December 31, 2023 and 2022 are as follow:

	Authorized	Issued and subscribed
Class A	3,700	3,700
Class B	2,600	2,600
Class C	300	300
Class D	200	200
	6,800	6,800

Class A shares

Class A shares shall be held by an individual, corporation, partnership or association, irrespective of nationality or citizenship. Class A shares are issued to the original subscribers of the Club and shall have the status of Founders' shares with all the rights and privileges as subscribed to Founders' shares. Founders' shares are subjected to the rights and restrictions within a period of five years from date of incorporation: (a) has sole and exclusive right to nominate persons who shall serve as director of the Club; (b) are prohibited from selling and transferring Founders' share to third persons; (c) usage without the need for activation fee; and (d) application and qualification of its nominee for membership to the Club.

Class B shares

Class B shares shall be held by an individual, corporation, partnership or association, irrespective of nationality or citizenship. Each Class B shares shall be entitled to one usage right which shall be exercised by the holder thereof or its nominee in the manner set forth in the By-laws of the Club.

Holders of Class B shares shall not enjoy preemptive rights to (a) subscribe to any or all original issuance of Class A shares, Class C shares, and Class D shares of the Club, and (b) to any sale, assignment or transfer of any class of treasury shares.

Class C shares

Class C shares shall be held by a corporation, partnership or association, irrespective of nationality or citizenship. Each Class C shares shall be entitled to two usage rights which shall be exercised by the holder thereof or its nominee in the manner set forth in the By-laws of the Club.

Holders of Class C shares shall not enjoy preemptive rights to (a) subscribe to any or all original issuance of Class A shares, Class B shares, and Class D shares of the Club, and (b) to any sale, assignment or transfer of any class of treasury shares.

Class D shares

Class D shares shall be held by an individual, corporation, partnership or association, irrespective of nationality or citizenship. Each Class D shares shall be entitled to one usage right which shall be exercised by the holder thereof or its nominee in the manner set forth in the By-laws of the Club.

Holders of Class D shares shall not enjoy preemptive rights to (a) subscribe to any or all original issuance of Class A shares, Class B shares, and Class C shares of the Club, and (b) to any sale, assignment or transfer of any class of treasury shares.

In view of the issuance of Founders' shares, the voting rights pertaining to Class B, C and D shares shall be suspended for the period commencing from the date of incorporation of the Club up to and including the date prior to the fifth anniversary of such date of incorporation. Upon the expiry of such five-year period, the Class A shares shall automatically lose their character as Founders' shares and the holder thereof shall be deemed to be a holder of a regular Class A share, whereby the voting rights of all the other classes of shares in the Club shall be automatically activated and shall be equal in all respects to holders of all the other classes of shares in the Club.

Shareholders shall only be entitled to a pro-rata share of the assets of the Club at the time of the dissolution or liquidation thereof.

Upon the incorporation of the Club, NCI, Parent Company, invested P133,000,000 in cash consideration for the issuance of club shares, at its initial issue price of P76,000 per share. Furthermore, NCI paid for the documentary stamp tax related to the Club's incorporation amounting P0.66 million.

On August 10, 2018, the SEC approved the confirmation of valuation of advances from NCI amounting to P196,992,000 in exchange of 2,592 Class A shares.

On October 4, 2018, the BOD approved the subscription of NCI to the Club's remaining authorized capital stock comprising of 83 Class A shares, 1,950 Class B shares, 225 Class C shares and 200 Class D shares at an issue price of P254,985 per share. In 2018, NCI made payment for its subscription amounting to P156,688,282 and the outstanding balance amounting to P470,064,848 in 2019.

NCI is authorized to offer the club shares to the public by way of secondary offering. As at December 31, 2023 and 2022, NCI sold 9.60% and 9.29% of its total shares in the Club. Ownership of these shares are transferred once fully paid.

As at December 31, 2023 and 2022, the total number of shareholders are 166 and 120, respectively.

Capital management

Cash in bank is maintained at a level that will enable the Club to fund its general and administrative expenses as well as to have additional funds to support future expansion and growth in its business operations. The Club manages its capital structure and makes adjustments to it, in light of changes in economic conditions. No changes were made in the objectives, policies or processes for managing capital for the years ended December 31, 2023 and 2022.

The Club's primary source of capital is its capital stock amounting to P956,745,130 as at December 31, 2023 and 2022.

The Club is not subject to any externally imposed capital requirement.

8 Income tax

The income tax expense pertains to the final tax paid on interest income amounting to P2,633, P3,372, and P4,345 in 2023, 2022, and 2021, respectively (Note 2).

The reconciliation between the statutory income tax and final tax as shown in the statements of comprehensive loss for the years ended December 31 follows:

	2023	2022	2021
Statutory income tax at 25% tax rate	(11,461,061)	(12,663,645)	(9,754,112)
Add (deduct) tax effects of:			
Movement in unrecognized deferred tax assets	16,441,676	6,064,891	11,822,717
Non-deductible expenses	522,740	1,423,997	-
Expired NOLCO	-	9,539,774	953,755
Expired MCIT	2,766	67,483	-
Interest income already subjected to final tax	(658)	(843)	(1,086)
Non-taxable income	(5,502,830)	(4,428,285)	(3,016,929)
Final tax	2,633	3,372	4,345

Deferred tax assets are recognized only to the extent that realization of the related tax benefit is probable. As at December 31, 2023, the Company did not recognize deferred tax assets amounting to P56,886,189 (2022 - P40,444,513), as management believes that it is not probable that sufficient taxable profit will be available to allow the benefit of the deferred tax assets to be utilized.

Details of unrecognized deferred income tax assets as at December 31 are as follow:

	2023	2022
NOLCO	54,396,557	39,132,546
Accrued expenses	2,489,632	1,309,201
MCIT	-	2,766
	56,886,189	40,444,513

On September 30, 2020, the BIR issued Revenue Regulations No. 25-2020 implementing Section 4(bbbb) of "Bayanihan to Recover As One Act" which states that the NOLCO incurred for taxable years 2021 and 2020 can be carried over and claimed as a deduction from gross income for the next five consecutive taxable years immediately following the year of such loss. The carry-over period for NOLCO incurred in any other taxable years is three (3) years.

Details of NOLCO as at December 31 are as follows:

Year incurred	Availment period	Amount	NOLCO expired previous year/s	NOLCO expired	NOLCO applied current year	Unapplied NOLCO 2023	Unapplied NOLCO 2022
2019	2020-2022	38,159,096	38,159,096	-	-	-	-
2020	2021-2025	42,849,781	-	-	-	42,849,781	42,849,781
2021	2022-2026	51,256,815	-	-	-	51,256,815	51,256,815
2022	2023-2025	62,423,588	-	-	-	62,423,588	62,423,588
2023	2024-2026	61,056,043	-	-	-	61,056,043	-
			-	-	-	217,586,227	156,530,184
Tax rate						25%	25%
						54,396,557	39,132,546

As at December 31, the details of MCIT are as follows:

Year incurred	Availment period	Amount	MCIT expired previous year	MCIT expired during the year	MCIT applied current year	Unapplied MCIT 2023	Unapplied MCIT 2022
2019	2020-2022	67,483	67,483	-	-	-	-
2020	2021-2023	2,766	-	2,766	-	-	2,766
			-	-	-	-	2,766

9 Related party transactions and balances

Enterprises and individuals that directly, or indirectly through one or more intermediaries, control or are controlled by, or under common control with the Club including holding companies, subsidiaries and fellow subsidiaries, are related parties of the Club. Associates and individuals owning, directly or indirectly, an interest in the voting power of the Club gives them significant influence over the enterprise, key management personnel, including directors and officers of the Club and close members of the family of these individuals, and companies associated with these individuals also constitute related parties. In considering each possible related entity relationship, attention is directed to the substance of the relationship and not merely the legal form.

Terms and conditions of transactions and balances with related parties

In the ordinary course of business, the Club has transactions with related parties. There have been no guarantees provided or received for any related party receivables or payables. These accounts are due based on normal credit terms, non-interest bearing and are generally unsecured except for advances to contractors, which is subject to recoupment over the term of the construction.

Impairment assessment is undertaken each financial year through a review of the financial position of the related party and the market in which the related party operates. Except as otherwise indicated, the outstanding accounts with related parties shall be settled in cash. The transactions are made at terms and prices agreed upon by the parties.

The following table shows the related party transactions and balances included in the financial statements:

	2023		2022		
	Transactions	Outstanding receivables	Transactions	Outstanding receivables	Terms
Parent Company					
Advances	-	-	1,837,407	-	(a)
ALI					
Advances	-	290,730	515,892	290,730	(g)
Associates					
Interest income	11,344	-	16,858	-	(j)
Due from related parties (Note 3)		290,730		290,730	

	2023		2022		
	Transactions	Outstanding payables	Transactions	Outstanding payables	Terms
Parent Company					
Advances	19,587,724	132,378,094	35,138,084	113,019,893	(b)
Entities under common control					
Advances	2,271,322	7,994,473	3,519,540	5,720,278	(c), (d), (e), (f)
Associates					
Utilities expense	5,756,382	87,415	3,742,400	86,102	(h)
Communications expense	1,028,063	141,939	1,890,338	645,026	(i)
Due to related parties (Note 6)		140,601,921		119,471,299	

The following describes the nature of the transactions of the Club with related parties for the years ended December 31, 2023 and 2022:

a. The Club made advances to NCI amounting to P1,837,407 in 2021 which pertains to procurement of operating supplies. In 2022, the Club collected the whole amount.

b. NCI made advances to the Club amounting to P19,587,724 in 2023 (2022 - P35,138,084) for working capital requirements. No payments were made to NCI for these advances for the years ended December 31, 2023 and 2022.

c. The outstanding balance due to ALI (Note 1) as at December 31, 2023 amounting to P5,346,177 (2022 - P3,291,326) pertains to advances made to the Club.

d. The outstanding balance due to Alveo Land Corporation (ALC) as at December 31, 2023 and 2022 amounting to P81,537 pertains to advances made to the Club.

e. The outstanding balance due to Makati Development Corporation (MDC) as at December 31, 2023 amounting to P2,566,759 (2022 - P2,320,874) pertains to advances made to the Club.

f. The outstanding balance due to Anvaya Golf Club as at December 31, 2022 amounting to P26,541 pertains to advances made to the Club.

g. Receivable from ALI pertains to its consumption and usage of the Club's facilities with charges amounting to P290,730 as at December 31, 2023 and 2022.

h. Outstanding balance due to Manila Water Philippine Ventures Inc. as at December 31, 2023 amounting to P87,415 (2022 - P86,102) pertains to water expense incurred by the Club. Total water expense incurred by the Club amounted to P5,756,382 in 2023 (2022 - P3,752,400).

i. Outstanding balance amounting to P141,939 as at December 31, 2023 (2022 - P645,026) pertains to communication expense incurred by the Club due to Globe Telecom Inc. and Innove Communications Inc., amounting to P1,360 as at December 31, 2023 (2022 - P409,429) and P140,579 as at December 31, 2023 (2022 - P235,597), respectively. Total communication expense amounted to P1,028,063 in 2023 (2022 - P1,890,338).

j. As at December 31, 2023 and 2022, the Club maintains its cash in bank account with BPI, an associate of AC, amounting to P8,010,308 (2022 - P2,713,101). Interest income earned from cash in bank amounted to P11,344, P16,858, and P21,724 in 2023, 2022, and 2021 respectively (Note 2). These are included in the interest income recognized in the statement of comprehensive loss.

k. The key management personnel of the Club are its directors. In 2023, 2022 and 2021, no compensation has been granted by the Club to them.

10 Revenues and expenses

Revenues for the years ended December 31 consist of:

	2023	2022	2021
Sale of goods	22,358,127	18,126,836	16,136,067
Membership dues	22,011,320	17,713,140	12,067,714
Service income:			
Villa	1,357,321	718,304	-
Sports and complex	681,329	449,930	251,100
Guest	542,627	782,396	602,727
Spa	93,750	96,429	-
Other income	8,380,840	541,176	97,031
	55,425,314	38,428,211	29,154,639

Sales of goods pertains to consumption of food and beverage in the Club's restaurant.

Membership dues pertain to maintenance fees paid by the Club's members on a monthly basis.

Other income mostly pertains to surcharges and interest on long outstanding receivables, cash overage, expired consumables and gain on reversal of retention payable.

Cost of sales and services for the years ended December 31 consist of:

	Note	2023	2022	2021
Cost of goods	4	9,014,632	9,999,369	6,980,802
Cost of services		31,487,013	29,587,731	17,715,788
		40,501,645	39,587,100	24,696,590

Direct operating expenses for the years ended December 31 consist of:

	Note	2023	2022	2021
Depreciation expense	5	25,549,222	25,139,192	24,301,876
Contracted services		9,091,192	6,520,560	6,309,052
Utilities		2,123,195	1,890,590	980,775
Repairs and maintenance		876,102	1,070,681	213,257
Salaries and wages		700,479	522,023	137,916
Transportation and travel		470,959	640,398	360,616
Marketing		215,283	83,087	60,165
Insurance		87,894	41,913	31,781
Representation		54,591	62,058	91,266
Others		1,562,443	1,178,210	694,324
		40,731,360	37,148,712	33,181,028

Contracted services mostly pertain to cost of services rendered by the Club's staff and security personnel.

Utilities pertain to cost of electricity and water consumption.

Representation pertains to expenses incurred as complimentary to customers or suppliers such as free use of club facilities, meals for employees and official business trips and expenses.

Repairs and maintenance pertains to expenses incurred for the upkeep of the Club's properties.

Transportation and travel pertains to fares, toll fees, fuel and accommodation incurred during official business trips of employees.

Others mostly pertain to cost of spoilage and daily meals given to employees.

General administrative expenses for the years ended December 31 consist of:

	2023	2022	2021
Salaries and other benefits	12,223,395	10,995,967	8,916,546
Taxes and licenses	5,400,597	303,096	485,914
Professional fees	462,235	860,455	615,742
Supplies	53,223	68,400	97,187
Financing charges	18,043	27,405	23,450
Others	1,892,225	108,513	176,354
	20,049,718	12,363,836	10,315,193

Salaries and other benefits pertain to salaries and mandatory government benefits given to direct employees of the Club.

Professional fees pertain to incurred legal and audit fees.

Taxes and licenses pertain to payment of real property taxes and permits of the Club.

Supplies pertain to office supplies used for administrative purposes.

Others mainly pertain to miscellaneous fees.

11 Financial assets and financial liabilities

Fair value information

The carrying values of the Club's cash in banks, trade receivables, due from related parties and financial liabilities classified under accounts and other payables approximate their fair values due to the short-term nature of transactions involving these financial instruments. The carrying value of deposits approximates its fair value as the impact of discounting is not significant.

Fair value hierarchy

As at December 31, 2023, and 2022, the Club has no financial asset and liability carried at fair value.

Financial risk management objectives and policies

The Club's principal financial instruments comprise of cash in banks, deposits, trade receivables, due from related parties, and financial liabilities classified under accounts and other payables. The main purpose of the Club's financial instruments is to fund operational and capital expenditures.

The main risk arising from the use of the financial instruments are credit risk and liquidity risk.

(a) Credit risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. The investment of the Club's cash resources is managed so as to minimize risk while seeking to enhance yield. The Club's holding of cash in bank exposes the Club to credit risk of the counterparty if the counterparty is unwilling or unable to fulfill its obligations, and the Club consequently suffers financial loss. Credit risk management involves entering into financial instruments only with counterparties with acceptable credit standing.

Bank limits are established on the basis of liquidity, capital adequacy and financial stability. Given the high credit standing of its accredited counterparty banks, management does not expect any of these financial institutions to fail in meeting their obligations.

The maximum exposure to credit risk for the Club's financial assets as at December 31 are as follows:

	Notes	2023	2022
Cash in bank	2	10,657,613	3,229,836
Accounts and other receivables*	3	11,178,985	7,821,866
Deposits		1,269,785	1,269,785
		23,106,383	12,321,487

**excluding receivables from employees*

These financial assets are considered as high grade and are classified as neither past due nor impaired.

(b) Liquidity risk

Liquidity risk is defined by the Club as the risk of losses arising from funding difficulties due to deterioration in market conditions and/or the financial position of the Club that make it difficult for the Club to raise the necessary funds or that forces the Club to raise funds at significantly higher interest rates than usual.

The Club manages liquidity risk by maintaining a balance between continuity of funding and flexibility. The Club maintains a level of cash deemed sufficient to finance its operations.

As part of its liquidity risk management, the Club regularly evaluates its projected and actual cash flows.

The table below analyzes the Club's financial assets and liabilities as at December 31, 2023 and 2022. The amounts disclosed in the table are the contractual undiscounted cash flows which are equal to their carrying balances, as the impact of discounting is not significant.

	Notes	Due and demandable	Within three months	More than three months	Total
December 31, 2023					
Financial assets					
Cash in bank	2	10,657,613	-	-	10,657,613
Accounts and other receivables	3	11,178,985	-	-	11,178,985
Deposits		-	-	1,269,785	1,269,785
		21,836,598	-	1,269,785	23,106,383
Financial liability					
Accounts and other payables	6	164,293,359	-	-	164,293,359
Liquidity position (gap)		(142,456,761)	-	1,269,785	(141,186,976)

	Notes	Due and demandable	Within three months	More than three months	Total
December 31, 2022					
Financial assets					
Cash in bank	2	3,229,836	-	-	3,229,836
Accounts and other receivables	3	7,821,866	-	-	7,821,866
Deposits		-	-	1,269,785	1,269,785
		11,051,702	-	1,269,785	12,321,487
Financial liability					
Accounts and other payables	6	132,227,036	-	-	132,227,036
Liquidity position (gap)		(121,175,334)	-	1,269,785	(119,905,549)

Accounts and other payables exclude payables to government agencies aggregating to P10,586,144 as at December 31, 2023 (2022 - P6,416,745) which are considered as non-financial liabilities.

As at December 31, 2023, and 2022, the Club's financial liabilities are all due and demandable.

12 Changes in advances from the Parent Company

The reconciliations of the movements in the Club's financing activities through advances from the Parent Company are presented below:

	At January 1	Cash flows	Non-cash changes	At December 31 (Note 9)
2023	113,019,893	19,358,201	-	132,378,094
2022	77,881,809	25,000,000	10,138,084	113,019,893
2021	62,304,080	4,000,000	11,577,729	77,881,809

13 Significant accounting judgments and estimates

The preparation of the financial statements in compliance with PFRS requires the Club to make judgments, estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. The judgments, estimates and assumptions used are based on management's evaluation of relevant facts and circumstances as at the date of the financial statements. Future events may occur which will cause the assumptions used in arriving at the estimates to change. The effects of any change in estimates are reflected in the financial statements as they become reasonably determinable.

13.1 Significant judgments

In the process of applying the Club's accounting policies, management has made the following judgments, apart from those involving estimations, which have the most significant effects on the amounts recognized in the financial statements:

Going concern assessment

The use of the going concern assumption involves management making judgments, at a particular point in time, about the future outcome of events or conditions that are inherently uncertain. The underlying assumption in the preparation of financial statements is that the Club has neither the intention nor the need to liquidate. Management takes into account a whole range of factors which include, but not limited to, Parent Company's ability to provide financial support, expected operations and profitability and potential sources of additional financing. Management prepares the financial statements on a going concern basis as management has future plans regarding the Club, as discussed in Note 1.

Identification of contract with customers under PFRS 15

The Club applies PFRS 15 guidance to a portfolio of contracts with similar characteristics as the Club reasonably expects that the effects on the financial statements if applying this guidance to the portfolio would not differ materially from applying this guidance to the individual contracts within that portfolio. Hence, the Club viewed each transaction receipt as one contract.

Identifying performance obligations

The Club identifies performance obligations by considering whether the promised goods or services in the contract are distinct goods or services. A good or service is distinct when the customer can benefit from the good or service on its own or together with other resources that are readily available to the customer is separately identifiable from the other promises in the contract.

Determining whether the Club is acting as a principal or agent

The Club assesses its revenue arrangements against specific criteria in order to determine if it is acting as principal or agent. The following criteria indicate whether the Club is acting as a principal or an agent:

- The Club has the primary responsibility for providing services to the customer;
- The Club has latitude in establishing price, either directly or indirectly, for example by providing additional services; and,
- The Club bears the customer's credit risk for the amount receivable from the customer.

The Club has concluded that generally, it is acting as a principal in its revenue arrangements.

Determination of taxable profit, tax bases, unused tax losses, unused tax credits and tax rates

The Club has assessed whether it has any uncertain tax treatments. The Club applies significant judgement in identifying uncertainties over its income tax treatments. The Club assesses whether the identified uncertainties had an impact on its financial statements. The Club determined, based on its tax assessment, in consultation with its tax counsel, that it has no uncertain tax treatments.

13.2 Significant estimates

In the process of applying the Club's accounting policies, management has made the following estimates and assumptions, which have the most significant effects on the amounts recognized in the financial statements:

Estimating allowance for ECL of trade receivables and due from related parties

The Club assesses long-outstanding member's receivable account periodically as to future collectability. Club shares of members with long-outstanding balances are placed to public auction for bidding at the management's own terms and minimum pricing to ensure that outstanding balances of delinquent members are recovered. The Club defines a financial asset as in default when contractual payments are 120 days past due. However, in certain cases, the Club may also consider a receivable to be in default when internal or external information indicates that the Club is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Club.

For the Club's due from related parties, evaluation includes the review of the credit risk of the debtor through a review of qualitative and quantitative information. Factors being considered includes significant changes in the business, financial and economic conditions, regulatory and economic environment to which the debtor operates, among others.

No expected credit loss was recognized in 2023 and 2022.

Estimating net realizable value (NRV) of inventories

Inventories are presented at the lower of cost or NRV. Estimation of NRV is based on the most reliable evidence available at the time the estimates are made of the amount the inventories are expected to be realized. A review of the items of inventories is performed at the end of each reporting period to reflect the accurate valuation of inventories in the financial statements.

The carrying values of inventories amounted to P730,730 and P609,926 as at December 31, 2023 and 2022, respectively. No provision, allowance and write-off for inventory obsolescence were recognized in 2023 and 2022 (Note 4).

Assessing recoverability of input VAT

The Club assesses on a regular basis if there is an objective evidence of impairment of input VAT. The amount of impairment loss is measured as the difference between the carrying amount and the estimated recoverable amount. The recognition of impairment requires the Club to assess how it could claim its accumulated input VAT.

The Club has accumulated excess input VAT since its establishment in 2014. Management has the remedy to claim these accumulated input VAT through addition of new revenue streams.

The carrying values of input VAT amounted to P118,713,427 in 2023 (2022 - P115,157,230). No allowance for impairment losses were recognized for input VAT for the years ended December 31, 2023 and 2022.

Evaluating asset impairment

The Club reviews property and equipment, and other non-financial assets (excluding inventories and input VAT) for impairment in value. This includes considering certain indications of impairment such as significant changes in asset usage, significant decline in assets' market value, obsolescence or physical damage of an asset, significant underperformance relative to expected historical or projected future operating results and significant negative industry or economic trends, taking into consideration the impact of adverse events.

Internal and external sources of information are reviewed at each year-end reporting date to identify indications that the Club's non-financial asset may be impaired, or an impairment loss previously recognized no longer exists or may be decreased. If any such indication exists, the recoverable amount of the non-financial asset is estimated.

As described in the accounting policy, the Club estimates the recoverable amount as the higher of the fair value less cost of disposal and value-in-use. In determining the present value of estimated future cash flows expected to be generated from the continued use of the assets, the Club is required to make estimates and assumptions that may affect other current and non-current assets, and property and equipment. An impairment loss would be recognized whenever evidence exists that the carrying value is not recoverable. For purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows.

No impairment losses were recognized for the Club's non-financial assets. As at December 31, the carrying values of the non-financial assets follow:

	2023	2022
Property and equipment, net	748,691,415	776,346,451
Other current assets	303,460	308,706
Advances to contractors	144,884	144,884
	749,139,759	776,800,041

Recognizing deferred tax assets

The Club reviews the carrying amounts of deferred taxes at the end of each reporting period and reduces deferred tax assets to the extent that it is no longer probable that sufficient taxable income will be available to allow all or part of the deferred tax assets to be utilized. However, there is no assurance that the Club will generate sufficient taxable profits to allow all or part of the deferred tax assets to be utilized. The Club looks at its projected performance in assessing the sufficiency of future taxable income. The Club's unrecognized deferred tax assets as at December 31, 2023 amounted to P56,886,189 (2022 - P40,444,513) (Note 8).

14 Summary of material accounting policies

The material accounting policies that have been used in the preparation of the financial statements are summarized below. These policies have been consistently applied to all the years presented, unless otherwise stated.

14.1 Basis of preparation

The financial statements of the Club have been prepared using the historical cost basis and are presented in Philippine Peso, the Club's functional currency. All amounts are rounded to the nearest peso unless otherwise indicated.

Statement of compliance

The financial statements of the Club have been prepared in compliance with Philippine Financial Reporting Standards (PFRSs).

Changes in accounting policies and disclosures

(a) New standards, and amendments and interpretations to existing standards adopted

The Club has adopted the following amendments to existing standards starting January 1, 2023:

- Amendments to PAS 1, *Presentation of Financial Statements,* and PFRS Practice Statement 2, *Making Materiality Judgements*

  The International Accounting Standards Board (IASB) amended PAS 1 to require entities to disclose their material rather than their significant accounting policies. The amendments define what is 'material accounting policy information' (being information that, when considered together with other information included in an entity's financial statements, can reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements) and explain how to identify when accounting policy information is material. They further clarify that immaterial accounting policy information does not need to be disclosed. If it is disclosed, it should not obscure material accounting information.

  To support this amendment, the IASB also amended PFRS Practice Statement 2 to provide guidance on how to apply the concept of materiality to accounting policy disclosures.

  The adoption of these amendments resulted in changes in the accounting policies disclosed by the Club.

- Amendments to PAS 8, *Accounting Policies, Changes in Accounting Estimates and Errors*

  The amendment to PAS 8 clarifies how companies should distinguish changes in accounting policies from changes in accounting estimates. The distinction is important, because changes in accounting estimates are applied prospectively to future transactions and other future events, whereas changes in accounting policies are generally applied retrospectively to past transactions and other past events as well as the current period.

- Amendments to PAS 12, *Income Taxes*

  The amendments to PAS 12 require companies to recognise deferred tax on transactions that, on initial recognition, give rise to equal amounts of taxable and deductible temporary differences, and will require the recognition of additional deferred tax assets and liabilities.

  The amendment should be applied to transactions that occur on or after the beginning of the earliest comparative period presented. In addition, entities should recognise deferred tax assets (to the extent that it is probable that they can be utilised) and deferred tax liabilities at the beginning of the earliest comparative period for all deductible and taxable temporary differences associated with:

  - right-of-use assets and lease liabilities, and
  - decommissioning, restoration and similar liabilities, and the corresponding amounts recognised as part of the cost of the related assets.

  The cumulative effect of recognising these adjustments is recognised in the opening balance of retained earnings, or another component of equity, as appropriate.

The amendments to PAS 8 and PAS 12 did not have any impact on the amounts recognized in prior and current periods and are not expected to significantly affect the future periods. There are no new standards, and other amendments and interpretations to existing standards effective January 1, 2023 that are considered to be relevant or have a material impact on the Club's financial statements.

(b) New standards, and amendments and interpretations to existing standards not yet adopted

The following amendments to existing standards are not mandatory for December 31, 2023 reporting period and have not been early adopted by the Club:

- PAS 1 (Classification of Liabilities as Current or Non-current and Non-current Liabilities with Covenants)

  Amendments made to PAS 1 in 2020 and 2022 clarified that liabilities are classified as either current or non-current depending on the rights that exist at the end of the reporting period. Classification is unaffected by the entity's expectations or events after the reporting date (e.g. the receipt of a waiver or a breach of covenant).

  The amendments require disclosures if an entity classifies a liability as non-current and that liability is subject to covenants that the entity must comply with within 12 months of the reporting date. The disclosures include:

  - the carrying amount of the liability;
  - information about the covenants, and
  - facts and circumstances, if any, that indicate that the entity may have difficulty complying with the covenants.

  The amendments also clarify what PAS 1 means when it refers to the 'settlement' of a liability. Terms of a liability that could, at the option of the counterparty, result in its settlement by the transfer of an entity's own equity instrument can only be ignored for the purpose of classifying the liability as current or non-current if an entity classifies the option as an equity instrument. However, conversion options that are classified as a liability must be considered when determining the current/non-current classification of convertible note.

  The amendments must be applied retrospectively in accordance with the normal requirements in PAS 8. Special transitional rules apply if an entity had early adopted the 2020 amendments regarding the classification of liabilities as current or non-current.

The adoption of the above amendments is not expected to have a material impact on the financial statements of the Club.

14.2 Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible to the Club.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Club uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

All assets for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognized in the financial statements on a recurring basis, the Club determines whether transfers have occurred between Levels in the hierarchy by re-assessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

For the purpose of fair value disclosures, the Club has determined classes of assets on the basis of the nature, characteristics and risks of the asset and the level of the fair value hierarchy as explained above.

14.3 Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

14.3.1 Financial assets

(a) Initial recognition and measurement

Financial assets are classified, at initial recognition, as subsequently measured at amortized cost, fair value through other comprehensive income (OCI), and fair value through profit or loss.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Club's business model for managing them. The Club initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs. Financial assets that do not contain a significant financing component or for which the Club has applied the practical expedient are measured at the transaction price determined under PFRS 15.

In order for a financial asset to be classified and measured at amortized cost or fair value through OCI, it needs to give rise to cash flows that are 'solely payments of principal and interest (SPPI)' on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level. Financial assets with cash flows that are not SPPI are classified and measured at FVPL, irrespective of the business model.

The Club's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both. Financial assets classified and measured at amortized cost are held within a business model with the objective to hold financial assets in order to collect contractual cash flows while financial assets classified and measured at FVOCI are held within a business model with the objective of both holding to collect contractual cash flows and selling.

(b) Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in four categories:

- Financial assets at amortized cost (debt instruments)
- Financial assets at fair value through OCI with recycling of cumulative gains and losses (debt instruments)
- Financial assets designated at fair value through OCI with no recycling of cumulative gains and losses upon derecognition (equity instruments)
- Financial assets at fair value through profit or loss

As at December 31, 2023, and 2022, the Club's financial assets pertain to financial assets at amortized cost (debt instruments).

(c) Financial assets at amortized cost (debt instruments)

Financial assets at amortized cost are subsequently measured using the effective interest (EIR) method and are subject to impairment. Gains and losses are recognized in profit or loss when the asset is derecognized, modified or impaired.

The Club's financial assets at amortized cost includes cash in banks, accounts and other receivables, and deposits.

(d) Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognized (i.e., removed from the statement of financial position) when:

- The rights to receive cash flows from the asset have expired, or,
- The Club has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Club has transferred substantially all the risks and rewards of the asset, or (b) the Club has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Club has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if, and to what extent, it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Club continues to recognize the transferred asset to the extent of its continuing involvement. In that case, the Club also recognized an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Club has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Club could be required to repay.

(e) Impairment of financial assets

The Club recognizes an allowance for expected credit losses (ECLs) for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Club expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

ECLs are recognized in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12 months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL). The Club determines whether to apply the general approach or the simplified approach when calculating the provision for ECL. Under the general approach, at each reporting date, the Club recognizes a loss allowance based on either 12-month ECLs or Lifetime ECLs, depending on whether there has been a significant increase in credit risk on the financial instrument since initial recognition. Under the simplified approach, the changes in credit risk are not tracked and loss allowances are measured at amounts equal to lifetime ECL.

For cash in banks, the Club applies the low credit risk simplification. The probability of default and loss given defaults are publicly available and are considered to be low credit risk investments. It is the Club's policy to measure ECLs on such instruments on a 12-month basis. However, when there has been a significant increase in credit risk since origination, the allowance will be based on the lifetime ECL.

For other financial assets such as accounts and other receivables and deposits, ECLs are recognized in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

Determining the stage for impairment

At each reporting date, the Club assesses whether there has been a significant increase in credit risk for financial assets since initial recognition by comparing the risk of default occurring over the expected life between the reporting date and the date of initial recognition. The Club considers reasonable and supportable information that is relevant and available without undue cost or effort for this purpose. This includes quantitative and qualitative information and forward-looking analysis.

An exposure will migrate through the ECL stages as asset quality deteriorates. If, in a subsequent period, asset quality improves and also reverses any previously assessed significant increase in credit risk since origination, then the loss allowance measurement reverts from lifetime ECL to 12-months ECL.

14.3.2 Financial liabilities

(a) Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognized initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Club's financial liabilities include accounts and other payables, except payables to the government, contract liabilities and payables to related parties and other obligations that meet the above definition (other than liabilities covered by other accounting standards, such as income tax payable).

(b) Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in two categories:

- Financial liabilities at FVPL
- Financial liabilities at amortized cost (interest-bearing loans and borrowings)

After initial recognition, non-interest-bearing loans and borrowings are subsequently measured at amortized cost using the EIR method. Gains and losses are recognized in profit or loss when the liabilities are derecognized as well as through the EIR amortization process.

Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included as finance costs in the statement of comprehensive loss.

(c) Derecognition

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognized through profit or loss in the statement of comprehensive loss.

14.3.3 Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the statement of financial position if there is a currently enforceable legal right to set off the recognized amounts and there is an intention to settle on a net basis, to realize the asset and settle the liability simultaneously. The Club assesses that it has a currently enforceable right of offset if the right is not contingent on a future event and is legally enforceable in the normal course of business, event of default, and event of insolvency or bankruptcy of the Club and all of the counterparties.

14.4 Property and equipment

Property and equipment, except land, are stated at cost net of accumulated depreciation, amortization and accumulated impairment losses, if any. Land held for use in operations is carried at cost less any impairment losses. The initial cost of land comprises its purchase price and any directly attributable costs of bringing the land to the condition necessary for its intended use.

The initial cost of property and equipment consists of its purchase price including import duties and any directly attributable costs of bringing the property and equipment to its working condition and location for its intended use. Cost also includes the cost of replacing part of such property and equipment when the recognition criteria are met.

Expenditures incurred after the property and equipment have been put into operations, such as repairs and maintenance are recognized in profit or loss in the year the costs are incurred. In situations where it can be clearly demonstrated that the expenditures have resulted in an increase in future economic benefits expected to be obtained from the use of an item of property and equipment beyond its originally assessed standard of performance, the expenditures are capitalized as additional costs of property and equipment.

Depreciations are computed on a straight-line basis over the estimated useful lives of the property and equipment. The estimated useful lives of the property and equipment are as follows:

Asset type	Number of years
Building	40
Facilities, furniture, fixtures and equipment	3 to 5
Transportation equipment	3 to 5

The Club determines depreciation for each significant part of an item of property and equipment.

The estimated useful lives and method of depreciation are reviewed and adjusted, if appropriate, at each financial year end to ensure that the years and method of depreciation and amortization are consistent with the expected pattern of economic benefits from items of property and equipment.

An item of property and equipment is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in profit or loss in the year the asset is derecognized.

Fully depreciated property and equipment are retained in the books until these are no longer in use.

14.5 Impairment of non-financial assets

Advances to contractors, input VAT and other non-current assets

Assets such as advances to contractors, input VAT and other non-current assets, are assessed at each reporting date to determine whether there is any indication that these assets are impaired. If these assets are impaired, an allowance for impairment is set-up. The amounts and timing of recorded expenses for any period would differ if the Club made different judgments or utilized different estimates. An increase in allowance for impairment losses would increase recorded expenses and decrease advances to contractors, input VAT and other non-current assets.

Recovery of impairment losses recognized in prior year is recorded when there is an indication that the impairment losses recognized for the asset no longer exist or has decreased. The recovery is recorded through profit or loss in the statement of comprehensive loss. However, the increase in carrying amount of an asset due to recovery of an impairment loss is recognized to the extent it does not exceed the carrying amount that would have been determined had there been no impairment loss recognized for that asset in prior year.

Property and equipment

The Club assesses at each reporting date whether there is an indication that property and equipment may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Club estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash generating unit's (CGU) fair value less costs of disposal and its value-in-use. It is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value-in-use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. Impairment losses of continuing operations are recognized through profit or loss in those expense categories consistent with the function of the impaired asset.

An assessment is made at each reporting date to determine whether there is any indication that previously recognized impairment losses may no longer exist or may have decreased. If such indication exists, the recoverable amount is estimated. A previously recognized impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognized. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognized for the asset in prior years. Such reversal is recognized through profit or loss in the statement of comprehensive loss unless the asset is carried at revalued amount, in which case, the reversal is treated as a revaluation increase.

14.6 Equity

Paid-in capital

Paid-in capital is measured at par value for all shares issued. When the Club issues more than one class of stock, a separate account is maintained for each class of stock and the number of shares issued.

When the shares are sold at premium, the difference between the proceeds and stated value is credited to "Additional paid-in capital" account. Direct costs incurred related to the issuance of new shares are chargeable to equity account, net of related tax benefits.

Deficit

Deficit represents accumulated losses of the Club. A deficit is not an asset but a deduction from equity.

14.7 Revenue from contracts with customers

The Club’s revenue from contracts with customers primarily consist of membership dues, service income and sale of goods. Revenue from contracts with customers is recognized when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Club expects to be entitled in exchange for those goods or services. The Club has generally concluded that it is the principal in its revenue arrangements.

The following are the Club’s performance obligations:

Membership dues

Revenue from membership dues is recognized over the time the members are provided access to the Club’s room accommodation, golf course, sports complex, game rooms, restaurants and other amenities. Transaction price is determined to be the BOD-approved rate for monthly membership dues. Each monthly membership dues are considered as a single performance obligation, therefore it is not necessary to allocate the transaction price. Any advance payments are recorded under “Contract liabilities” under accounts and other payables account in the statement of financial position.

(i) Service income

Service income includes revenue from providing room accommodation, guest fees and income from the use of the Club’s facilities and amenities such as golf course, sports complex, game rooms and other Club amenities. Revenue is recognized over the time the services are rendered and/or facilities and amenities are used.

(ii) Sale of goods

Revenue from sale of food and beverages and merchandise are recognized when control of the goods is transferred to the customers, generally when goods are delivered to and accepted by the customers.

14.8 Contract balances

Trade receivables

A receivable is recognized if an amount of consideration that is unconditional is due from the customer (i.e., only the passage of time is required before payment of the consideration is due).

Contract liabilities

A contract liability is recognized if a payment is received or payment is due (whichever is earlier) from a customer before the Club transfers the related goods or services. Contract liabilities are recognized as revenue when the Club performs under the contract. Membership dues and consumables collected in advance are recognized as contract liabilities in the statement of financial position.

14.9 Other income recognition

Interest income

Interest income is recognized as it accrues using the effective interest method.

Other income

Other income is recognized when incurred.

14.10 Expense recognition

Expense is recognized when decrease in future economic benefits related to a decrease in an asset or an increase in a liability has arisen that can be measured reliably.

14.11 Taxes

Current income tax

Current tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the tax authority. The tax rates and tax laws used to compute the amount are those enacted or substantively enacted as at the end of the reporting period.

Current income tax for current and prior periods shall, to the extent unpaid, be recognized as a liability and is presented as income tax payable in the statement of financial position. If the amount already paid in respect of current and prior periods exceeds the amount due for those periods, the excess shall be recognized as an asset and is presented as part of other current assets in the statement of financial position.

Deferred tax

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable income will be available to allow all or part of the deferred tax assets to be utilized. Any unrecognized deferred tax assets are reassessed at each reporting date and are recognized to the extent that it has become probable that future taxable income will allow all or part of the deferred tax assets to be recovered.

Deferred tax assets and liabilities are measured at the tax rate that is expected to apply to the period when the asset is realized, or the liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted at the reporting date.

Uncertainty over income tax treatments

The Club assesses at the end of each reporting period whether it has any uncertain tax treatments by reviewing the assumptions about the examination of tax treatments by the taxation authority, determining taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates, and considering changes in relevant facts and circumstances. The Club then evaluates how likely is it that a certain tax treatment will be accepted by the taxation authority. If it is probable that the taxation authority will accept a certain tax treatment, the Club concludes that it has no uncertain tax treatment and will measure tax amounts in line with the income tax filings. If it is not probable that the taxation authority will accept a certain tax treatment, the Club measures tax amounts based on the ‘most likely amount’ method (better predicts uncertainty if the possible outcomes are binary or are concentrated on one value) or ‘expected value’ method (better predicts uncertainty if there is a range of possible outcomes that are neither binary nor concentrated on one value). The Club presents uncertain tax liabilities as part of current tax liabilities or deferred tax liabilities.

14.12 Provisions

Provisions are recognized when the Club has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. When the Club expects some or all of a provision to be reimbursed, the reimbursement is recognized as a separate asset but only when the reimbursement is virtually certain. Provisions are reviewed at each reporting date and adjusted to reflect the current best estimate.

15 Supplementary tax information under Revenue Regulations no. 15-2010

The Club reported and/or paid the following types of taxes for 2023:

a. Value-added Tax (VAT)

(i) *Output VAT*

Net sales/receipt and Output VAT declared in the Club's VAT returns for the year 2023:

	Net sales/receipts	Output VAT
Taxable sales:		
Sale of goods	22,358,127	2,682,975
Sale of services	11,055,867	1,326,704
Total	33,413,994	4,009,679

Sale of services subject to VAT pertains to gross receipts/collections on revenues from guest, spa services and rental of recreational equipment. On the other hand, sale of goods pertains to gross receipts/collections on revenues from sale of food, beverage and merchandise.

The Club has exempt sales amounting to P22,011,320 in 2023 pursuant to SC Ruling G.R. No. 228539 [*Association of Non-Profit Clubs, Inc. (ANCP) vs. Bureau of Internal Revenue (BIR)*] dated August 13, 2019.

(ii) Input VAT

The amount of input VAT claimed broken down as follows:

Balance at beginning of the year	115,157,230
Current year's purchases:	
Goods other than for resale or manufacture	1,000,988
Services lodged under other accounts	2,555,209
Balance at end of the year	118,713,427

b. Taxes and licenses

The following are the taxes, licenses and permit fees presented as part of general administrative expenses in the statement of comprehensive loss in 2023:

Real property taxes	5,207,568
Licenses and permits	136,899
Community tax certificate	2,502
Annual registration	1,000
Others	52,628
	5,400,597

c. Withholding taxes

Details of withholding taxes in 2023 follows:

	Paid	Accrued	Total
Expanded withholding taxes	511,902	38,118	550,020
Withholding taxes on compensation and benefits	1,188,175	43,049	1,231,224
	1,700,077	81,167	1,781,244

d. Documentary stamp tax (DST) and other taxes

The Club has no transaction subject to DST and other taxes not specified above during 2023.

e. Tax assessments and cases

On November 29, 2023, the Club received an assessment on real property taxes for building improvements covering periods of 2020 to 2023 amounting to P5,207,568, which was settled subsequently in January 2024.

There are no other outstanding final tax assessment and tax cases under preliminary investigation, litigation, and/or prosecution in courts or bodies outside of the BIR as at December 31, 2023.

ALVIERA COUNTRY CLUB, INC.
SUPPLEMENTARY SCHEDULES REQUIRED UNDER ANNEX 68-J
OF THE REVISED SRC RULE 68
As at December 31, 2023

Table of Contents

Report of Independent Auditors on Supplementary Schedules		Page
Supplementary schedules required by Annex 68-J		
A	Financial Assets	1
B	Amounts Receivable from Directors, Officers, Employees, Related Parties, and Principal Stockholders (Other than Related Parties)	2
C	Amounts Receivable from Related Parties which are Eliminated during the Consolidation of the Financial Statements	3
D	Long-term Debt	4
E	Indebtedness to Related Parties (Long-Term Loans from Related Companies)	5
F	Guarantees of Securities of Other Issuers	6
G	Capital Stock	7

N/A - Not applicable

SCHEDULE A

ALVIERA COUNTRY CLUB, INC.
FINANCIAL ASSETS
AS AT DECEMBER 31, 2023

Description	Amount Shown in the Statement of Financial Position	Income Received and Accrued
Cash in bank		
Bank of the Philippine Island (BPI)	8,010,308	11,344
Security Bank	2,647,305	1,821
	10,657,613	13,165
Trade and other receivables		
Trade receivables	10,888,255	-
Receivable from related party	290,730	-
	11,178,985	
Non-current assets		
Deposits	1,269,785	-

SCHEDULE B

ALVIERA COUNTRY CLUB, INC.

AMOUNTS RECEIVABLE FROM DIRECTORS, OFFICERS, EMPLOYEES, RELATED PARTIES, AND PRINCIPAL STOCKHOLDERS (OTHER THAN RELATED PARTIES)
AS AT DECEMBER 31, 2023

Name and designation of debtor	Balance at beginning of period	Additions	Amounts collected	Amounts written-off	Current	Non-current	Balance at end of period
N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A

SCHEDULE C

ALVIERA COUNTRY CLUB, INC.

AMOUNTS RECEIVABLE FROM RELATED PARTIES WHICH ARE ELIMINATED DURING THE CONSOLIDATION OF THE FINANCIAL STATEMENTS
AS AT DECEMBER 31, 2023

Name and designation of debtor	Balance at beginning of period	Additions	Amounts collected	Amounts written-off	Current	Non-current	Balance at end of period
N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A

SCHEDULE D

ALVIERA COUNTRY CLUB, INC.

LONG-TERM DEBT

AS AT DECEMBER 31, 2023

Title of issue and type of obligation	Amount authorized by indenture	Amount shown under caption "current portion of long-term debt" in in statement of financial position	Amount shown under caption "long-term debt" in statement of financial position
N/A	N/A	N/A	N/A

SCHEDULE E

ALVIERA COUNTRY CLUB, INC.

INDEBTEDNESS TO RELATED PARTIES (LONG-TERM LOANS FROM RELATED COMPANIES)
AS AT DECEMBER 31, 2023

Name of related party	Balance at the beginning of period	Balance at end of period
N/A	N/A	N/A

SCHEDULE F

ALVIERA COUNTRY CLUB, INC.

GUARANTEES OF SECURITIES OF OTHER ISSUERS
AS AT DECEMBER 31, 2023

Name of issuing entity of securities guaranteed by the company for which this statement is filed	Title of issue of each class of securities guaranteed	Total amount guaranteed and outstanding	Amount owned by person for which statement is filed	Nature of guarantee
N/A	N/A	N/A	N/A	N/A

SCHEDULE G

ALVIERA COUNTRY CLUB, INC.

CAPITAL STOCK

AS AT DECEMBER 31, 2023

Title of issue	Number of shares authorized	Number of shares issued and outstanding as shown under related statement of financial position caption	Number of shares reserved for options, warrants, conversion, and other rights	Number of shares held by related parties	Directors and officers	Others
Class A	3,700	3,700	-	3,688	12	-
Class B	2,600	2,600	-	2,454	-	146
Class C	300	300	-	293	-	7
Class D	200	200	-	200	-	-
	6,800	6,800	-	6,635	12	153

Alviera Country Club, Inc.

Reconciliation of Retained Earnings Available for Dividend Declaration
For the year ended December 31, 2023
(All amounts in Philippine Peso)

Unappropriated retained earnings (deficit), beginning of the year		(197,051,891)
Add: Category A: Items that are directly credited to unappropriated retained earnings		
Reversal of retained earnings appropriation	-	
Effect of restatements or prior-period adjustments	-	
Others (prior year unrealized foreign exchange gain)	-	-
Less: Category B: Items that are directly debited to unappropriated retained earnings		
Dividend declaration during the reporting period	-	
Retained earnings appropriated during the reporting period	-	
Effect of restatements or prior-period adjustments	-	
Others (describe nature)	-	-
Unappropriated retained earnings (deficit), as adjusted		(197,051,891)
Less: Net loss for the current year		(45,846,877)
Less: Category C.1: Unrealized income recognized in the profit or loss during the year (net of tax)		
Equity in net income of associate/joint venture, net of dividends declared	-	
Unrealized foreign exchange gain, except those attributable to cash and cash equivalents	-	
Unrealized fair value adjustment (mark-to-market gains) of financial instruments at fair value through profit or loss (FVTPL)	-	
Unrealized fair value gain of investment property	-	
Other unrealized gains or adjustments to the retained earnings as a result of certain transactions accounted for under the PFRS (describe nature)	-	-
Add: Category C.2: Unrealized income recognized in the profit or loss in prior reporting periods but realized in the current reporting period (net of tax)	-	
Realized foreign exchange gain, except those attributable to cash and cash equivalents	-	
Realized fair value adjustment (mark-to-market gains) of financial instruments at fair value through profit or loss (FVTPL)	-	
Realized fair value gain of investment property	-	
Other realized gains or adjustments to the retained earnings as a result of certain transactions accounted for under the PFRS (describe nature)	-	-

(continued)

Add: Category C.3: Unrealized income recognized in profit or loss in prior periods but reversed in the current reporting period (net of tax)	**-**	
Reversal of previously recorded foreign exchange gain, except those attributable to cash and cash equivalents	-	
Reversal of previously recorded fair value adjustment (mark-to-market gains) of financial instruments at fair value through profit or loss (FVTPL)	-	
Reversal of previously recorded fair value gain of investment property	-	
Reversal of other unrealized gains or adjustments to the retained earnings as a result of certain transactions accounted for under the PFRS, previously recorded (describe nature)	-	-
Adjusted net loss		(45,846,877)
Add: Category D: Non-actual losses recognized in profit or loss during the reporting period (net of tax)		
Depreciation on revaluation increment (after tax)		-
Add/Less: Category E: Adjustments related to relief granted by the SEC and BSP		
Amortization of the effect of reporting relief	-	
Total amount of reporting relief granted during the year	-	
Others (describe nature)	-	-
Add/Less: Category F: Other items that should be excluded from the determination of the amount of available for dividends distribution		
Net movement of treasury shares (except for reacquisition of redeemable shares)	-	
Net movement of deferred tax asset not considered in the reconciling items under the previous categories	-	
Net movement in deferred tax asset and deferred tax liabilities related to same transaction, e.g., set up of right of use of asset and lease liability, set-up of asset and asset retirement obligation, and set-up of service concession asset and concession payable	-	
Adjustment due to deviation from PFRS - gain (loss)	-	
Others (describe nature)	-	-
Total retained earnings (deficit), end of the year available for dividend declaration		**(242,898,768)**